

# The NATIONAL UNDERWRITER

America Fore national advertising during June dramatically calls attention to the need for adequate limits of liability insurance by presenting recent instances of under-insurance.



## I Wish You Could Look Over My Shoulder This Morning!

• You would see five good examples that show clearly why everyone should carry adequate limits of automobile liability insurance.

CASE NO. 1 Death case—suit brought for \$50,000. Insurance carried \$5,000.

CASE NO. 2 Two injuries—suits brought for \$15,000 and \$25,000. Insurance carried \$10,000.

CASE NO. 3 Death case—car driven by doctor. Suit for \$25,000. Insurance carried \$5,000.

CASE NO. 4 Bodily injury suit for \$35,000. Insurance carried \$10,000.

CASE NO. 5 One bodily injury suit for \$25,000. Insurance carried \$5,000.

Five people in serious trouble because they did not carry enough insurance.

**YET FOR \$22.45 additional, all five could have been covered for \$50,000.**

Some insurance is not enough! Consult an America Fore agent.



Rely on your local America Fore Insurance Man for sound insurance protection—and for full, friendly help in settling claims! To locate your nearby America Fore Insurance Man, or Claims Office, call Western Union by number, ask for Operator 25.

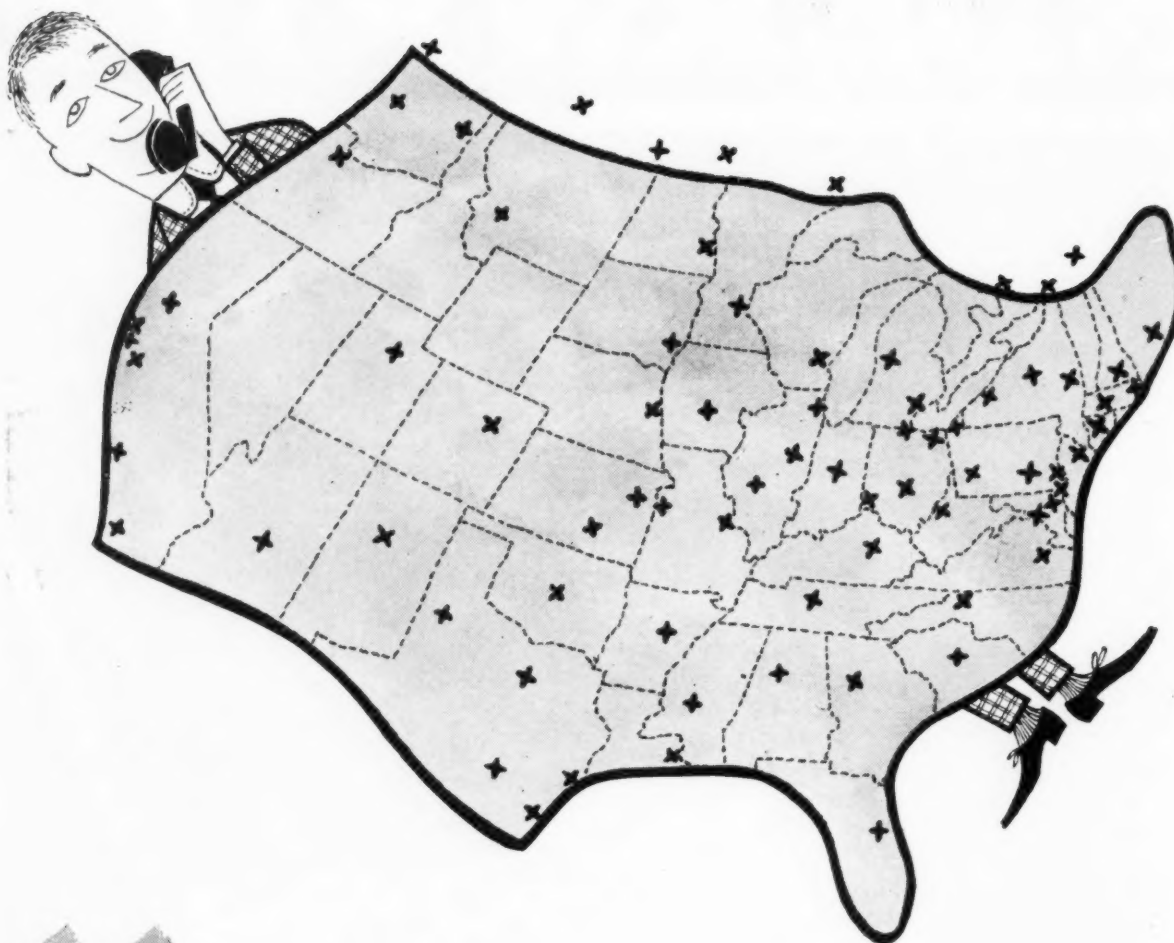
THESE FIVE COMPANIES COMPOSE THE AMERICA FORE INSURANCE GROUP  
CONTINENTAL • FIDELITY-PHENIX • NIAGARA • AMERICAN EAGLE  
FIDELITY AND CASUALTY COMPANY OF NEW YORK

LOOK FOR THIS SEAL ON YOUR POLICIES



This Ad Will Appear In:  
• LIFE  
• COLLIER'S  
• THE SATURDAY EVENING POST  
• TIME  
• NEWSWEEK

THURSDAY, JUNE 14, 1951



## MARKS THE 100 SPOTS

There are nearly 100 places in the United States, Canada and Foreign Countries where North America maintains field offices to back up agents with specialized services. 47 of these places have full-fledged Service Offices with "Head Office" facilities.

This network helps you to get fast service and technical help on your production problems.

Establishment of these offices, manned with capable personnel, demonstrates North America's support of the American Agency System which is a direct outgrowth of North America's appointment of its first agents in 1807.

Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance, Fidelity and Surety Bonds. Sold only through Agents or Brokers.



© Protect what you have

**INSURANCE COMPANY OF  
NORTH AMERICA**  
COMPANIES, 1600 ARCH STREET  
*Philadelphia 1, Pa.*

INSURANCE COMPANY OF NORTH AMERICA • INDEMNITY INSURANCE COMPANY OF NORTH AMERICA • PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

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## John Roane Is New Head of Independent Adjusters Body

**Succeeds Hill at Dallas Convention; E. H. Bockius Moved into Line**

By JOHN C. BURRIDGE

DALLAS—John D. C. Roane, president of John Roane, Inc., Baltimore, was elected president of National Assn. of Independent Insurance Adjusters at the final session of the annual meeting here last week. He succeeds Robert M. Hill of Detroit.



Robert M. Hill

E. H. Bockius, E. H. Bockius & Co., San Francisco, was elected executive vice-president and presumably will succeed Mr. Roane next year. Robert Pruyn, Pruyn & Coons, Indianapolis, was named executive secretary and treasurer.

The regional vice-presidents are: L. B. Hazzard, L. B. Hazzard, New York; James E. Gay, Jr., Gay & Taylor, Winston-Salem, N. C.; F. M. Clements, A. H. Dinning Co., Detroit; Frank Tidwell, F. E. Tidwell & Co., Los Angeles; G. E. Shank, Shank & Co., Wichita; and Robert B. Lovelace, General Claims Service, Dallas. Mr. Lovelace was convention chairman.

Registration was about 300, a figure this relatively young association is easily able to muster in whatever part of the country its meetings are held. The sessions were conducted in the mornings with the afternoons open for golf and entertainment. Each evening the members reassembled for a social function. Robert M. Hill, the retiring president, presided at the business gatherings.

### Challenge of E. C. Writings

Addison Roberts, secretary of Fire Association, speaking the first morning on "Current Trends in Adjustments," declared that the insurance business as a whole must face up to the challenge of increased extended coverage writings, commenting that the companies have little reason to brag about their service in the light of the windstorm in the northeast last November. Post cards went sent, advertisements were run in the newspapers, insured were asked to be patient, and it was explained that the companies had a tremendous job to handle, but adjusters are just now making their first direct contact with many insured, who have had to wait six or seven months after a loss before the company has been able to take care of them. This does not compare favorably with the prompt restoration of electric and telephone facilities in the same area affecting just as many people. If an adjuster were asked, Mr. Roberts said, if six months is a normal waiting time on a loss, he would laugh, but yet that is what is happening.

The adjusting field has three problems, he declared—manpower, uniformity, and public relations.

There has been a lack of emphasis

(CONTINUED ON PAGE 8)

## Jacobs Heads U. S. Chamber Committee

WASHINGTON—Carl N. Jacobs, president of Hardware Mutual Casualty of Stevens Point, Wis., has been appointed chairman of the insurance committee of U. S. Chamber of Commerce. He succeeds Frank H. Thomas, president of Fire Association who remains a member of the committee.



Carl Jacobs

Clinton L. Allen, president of Aetna Fire, replaces W. Ross McCain, chairman of Aetna, on the committee. Mr. Allen was elected to the chamber's board at the annual meeting in May, succeeding Mr. Thomas.

Chase M. Smith, general counsel of the Kemper companies, was also elected as a director.

For the first time in several years the insurance committee contains representatives of the insurance sales forces in the persons of Melvin J. Miller, Fort Worth, Hugh H. Murray, Jr., Raleigh; John D. Marsh, Lincoln National Life, general agent at Washington, and Courtlandt Otis, Johnson & Higgins, New York.

John P. Stock, president of Macabees, is another new member of the committee.

### Committee Members Reappointed

Members of the committee who have been reappointed are: John A. Diemand, president of North America; Hovey T. Freeman, president Manufacturers Mutual Fire; Walter L. Hays, president American Fire & Casualty; Charles E. Hodges, president American Mutual Liability; J. Harry LaBrum, Conlen, LaBrum & Beechwood, Philadelphia; Laurence F. Lee, president Peninsular Life; C. A. Loughin, vice-president Home; Joseph F. Matthai, executive vice-president U.S.F.&G.; Ralph C. Price, Greensboro; Frank A. Roberts, vice-president Glens Falls; Frank P. Samford, president Liberty National Life; Chase Smith; Harold M. Stewart, executive vice-president Prudential; and J. Mearl Sweitzer, general counsel Employers Mutual Liability.

A. L. Kirkpatrick, manager of the insurance department, continues to serve as secretary of the committee.

## U. S. Fire Stock Now Is Traded on \$3 Par Basis

Stock of United States Fire of the Crum & Forster group is now being quoted on the new basis following its absorption of Allemannia Fire of Pittsburgh. The stock is being traded at about \$35 per share and the indicated dividend rate is \$1.40 per share as against \$2.40 on the old (\$4 par value) stock. Stockholders of Allemannia Fire are receiving one share of U. S. Fire for each share of Allemannia that was held, while stockholders of U. S. Fire are getting 1.76 shares for each old share of U. S. Fire. Capital now consists of one million shares of \$3 par value stock. Based on Dec. 31, 1950, statements, the combined company had \$89,413,514 assets, \$34,397,228 premium reserve, \$3 million capital and \$38,009,630 net surplus.

A semi-annual dividend of 20 cents has been declared by Excelsior, payable June 28 to stockholders of record June 8.

## Dealer Discounts Are Disappearing

Contributing to the increased cost of auto physical damage losses is the fact that many of the big dealers have eliminated the discount to insurance companies. Many of the smaller dealers are shy of parts and the big operators are in the driver's seat. This matter has been taken up with the price stabilization authorities in Washington and the response is that this constitutes a violation of the law and complaints are solicited. However, some of the insurers who feel obliged to maintain friendly relations with the dealers, hesitate to take action to have them hauled over the coals.

Another practice that is causing much distress to the insurers is that of charging a flat rate for body work. In the past the charges were graded according to the type of car with the less expensive vehicles being repaired on a lesser scale.

## Wis. Senate Votes Insurance Probe

MADISON, WIS.—The state senate has adopted a resolution requesting the legislative council to appoint a committee to make a comprehensive study of the methods, practices, taxes and finances of all insurance companies doing business in Wisconsin and to report to the 1953 legislature with its recommendations.

The resolution, which was sponsored by Sen. R. M. Schlabach, La Crosse Republican, met considerable opposition but was finally approved by a voice vote after a motion to reject failed 12 to 17. It calls for the appointment of a committee of three senators and four assemblymen and provides that none shall be affiliated with or have any financial interest in an insurance company, except as a stockholder. An amendment also enables the committee to study the operation of the insurance department. The resolution says that the scope of study shall not be limited by mention of specific subjects, but may extend to such phases of the insurance field as the committee deems necessary or advisable.

Schlabach contended that some of the large fire and casualty mutuals of Wisconsin pay no premium or income taxes and said this discrimination and favoritism is not fair.

Opponents criticized the provision which excludes legislators with insurance connections and experience, claiming that the study would thus be conducted by people who know little about the business. Schlabach replied that there was nothing in the resolution to prevent the committee from calling in insurance people for assistance and cooperation.

Since it is a plain resolution and not a joint one it will not require assembly action.

## Harris Heads St. Paul's Rate, Forms Department

Armand Harris, who recently resigned as Minnesota insurance commissioner to join St. Paul F. & M., has been named manager of the company's rate regulation and forms department.

Mr. Harris was named commissioner in 1947, after having organized and headed the department's rating division. He started in the business as a local agent at St. Paul in 1928. Before that he practiced law at Minneapolis. He is a past president of Minnesota and St. Paul Assns. of Insurance Agents and served as legislative chairman of the Minnesota association for 23 years.

## Casualty People Win Rate Principle at N.A.I.C. Parley

**Move to Fix Only 1.5 as "Comp" Profit Factor Is Upset**

D. D. Murphy of South Carolina who is known to all as "Pat" was elected chairman of the executive committee of National Assn. of Insurance Commissioners at the closing session at Swampscott. He won out over Donald Knowlton of New Hampshire by a vote, it is reported, of about 25 to 15. This places Mr. Murphy in line for election as vice-president in 1952 and president in 1953.

Frank Sullivan of Kansas is the new president and Wade O. Martin of Louisiana is vice-president. George Bowles of Virginia continues as secretary.

Elected to the executive committee as members at large are Frank Viehmann of Indiana; C. Laurence Leggett of Missouri and Mr. Knowlton.

Zone representatives on the executive committee are Bohlinger of New York,



D. D. Murphy of South Carolina, the new executive committee chairman of N.A.I.C., at Swampscott gathering with L. L. Gwaltney, Alabama superintendent.

zone 1; Cheek of North Carolina, 2; Gwaltney, Alabama, 3; Lange, Wisconsin, 4; Dickey, Oklahoma, 5 and Maloney, California, 6.

The zone chairmen are Allyn of Connecticut, zone 1; Mr. Bowles, zone 2; Allen of Tennessee, 3; Day of Illinois, 4; Graves of Arkansas, 5 and Sullivan of Washington, 6.

### One Theatrical Incident

The only incident of a theatrical nature occurred in the final closing session when, following a clash from the floor, the report of a sub-committee recommending a 1.5 point profit or contingency factor in the workmen's compensation expense loading rather than the 2.5 factor that the "industry" had insisted upon was decisively overturned. Insurance Director Day of Illinois, as chairman of the sub-committee, reported

(CONTINUED ON PAGE 10)

## Texas Storms to Cost Insurers Over \$3 Million

**Abilene Hardest Hit: Year's Worth of Damage in 15 Days**

DALLAS—Wind and hail storms in Texas in the last two weeks will cost insurers more than \$3 million, with the bulk of the loss to come from the storm June 10 at Abilene. This was a sustained wind of 74 m.p.h. with gusts up to 120 accompanied by hail ranging up to the size of baseballs.

Texas has been hit with a series of storms over a period of 15 days that have equalled the expected annual storm damage. The first loss was at Abilene May 24 when a 20-minute hail brought about 2,000 losses averaging \$250 after application of the deductible. General Adjustment Bureau set up a storm office at Abilene to handle this loss with W. O.

Coles of Houston in charge. This staff is being increased to cope with the additional June 10 claims.

The two Abilene losses coming at such close interval bring up an interesting adjustment problem of applying deductibles. Many home owners have had no opportunity to have repairs made from the first storm, and now have suffered further damage. The policy reads that the deductible will apply to each storm loss. It would be possible, therefore, to apply a \$200 deductible in these cases.

On June 6 about 75% of Wichita Falls was hard hit by a hail storm. G.A.B. estimates 10,000 losses there in addition to 2,000 automobile claims. The average damage to mercantile property will be in the neighborhood of \$500, residential property \$300 and automobile \$200. Until the Abilene storm of June 10, this was considered the most serious in Texas in a number of years.

### 1,000 at Eastland

Another 1,000 to 1,200 claims are expected from a storm which struck Eastland June 9. Hail the size of golf balls hit the whole town. G.A.B. has assigned T. B. Benton in charge of a storm office there.

At Coleman the June 9 hail hit nearly all the town, the worst of the storm being in the business district. Practically every neon sign in the town was wrecked. G.A.B. estimates there will be 1,400 dwelling losses, 350 mercantile losses, and 500 automobile. C. W.

Morgan is in charge of the storm operation there.

The June 10 storms did damage at Abilene, Brownwood, Rotan, Roby, and Burkett. The hail at Abilene lasted longer than 30 minutes. Early estimates of insurance loss run well over \$1 million, and it is expected the total, including crop hail damage, will be closer to \$2 million.

## \$1,000,000 Fire at Passaic, N. J.

An insurance loss of apparently \$1 million is expected to result from the fire which burned out of control for four hours in the Passaic, N. J., business district.

The largest single loss was that of Arrow Electric Co. The large, two-story building and its contents were completely destroyed. There was \$150,000 insurance on the building and \$65,000 on contents, both reporting and specific. There was no U. & O., but the F. & F. Realty Co., which owned the structure, carried adequate rents insurance and the loss here will be heavy. The Arrow building also had several other occupants, including clothing manufacturers and miscellaneous businesses. Their losses will be total. The fire started in this building. Arrow Electric was one of the largest electrical appliance stores in the state, and much of its stock consisted of TV sets.

A large exposure loss resulted next door, in the building occupied by Simon Electric Co., wholesale electrical supply house. Here the contents consisted largely of light fixtures, TV sets and refrigerators. The worst damage was to the contents in the basement, from water. Fortunately there were good brick walls between it and the Arrow building.

Approximately 60 insured suffered some loss as a result of the fire. Most of them were exposure losses, from

smoke. The humidity was extremely high the day of the fire, and smoke poured into all of the edifices near the point of origin. There were also many losses to basements and their contents, since fire departments poured water into the burning buildings in the area for 20 hours.

There was no U. & O. loss among those caused by the fire.

The companies are making good use of Aikem to reduce substantially smoke loss damage. The fire was of such size and complexity that General Adjustment Bureau moved in several branch managers to assist Robert Stumpf, manager of the Paterson office, to handle the job.

## Mich. State Building "Stop Loss" Cover Bill Signed

LANSING, MICH. — Gov. Williams has signed the bill permitting "stop loss" coverage on any state-owned buildings.

The new law authorizes the administrative board to purchase "catastrophe insurance" with a deductible of \$100,000 or greater, covering "any or all state property," on recommendation of the insurance commissioners. Premiums are to be paid from the state fire fund, which a few years ago was the sole insurance reliance of the state. A modification was made two years ago to permit insuring with private facilities in cases in which it was found that the risk was extra-hazardous or represented excessively concentrated values, such as the state liquor warehouses.

The state office building fire in February persuaded legislators that further private protection was needed, as the fire fund contained only \$1½ million at the time.

## Oct. 18-20 Zone 4 Dates

The fall meeting of Zone 4 of National Assn. of Insurance Commissioners has been scheduled for St. Paul, Oct. 18-20.

**BECAUSE...IT'S THE LOCAL AGENT'S COMPANY**

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**NEW YORK UNDERWRITERS INSURANCE COMPANY**

90 JOHN STREET, NEW YORK 7, N. Y.

*Since 1864*

**FIRE • AUTOMOBILE • INLAND MARINE •**



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141 W. JACKSON BLVD. CHICAGO 4, ILLINOIS

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Newly commissioned Nebraska admirals at insurance commissioners meeting at Swampscott, picture by Harry H. Fuller of National Bureau of Casualty Underwriters:

Above, Alfred Bohlinger, New York insurance superintendent; Herbert Nelson, Minnesota commissioner; John R. Maloney, California commissioner, and Joseph Sullivan of American Mutual Liability.

Below, W. R. Murphy, Delaware commissioner; Floyd Jacobs, reciprocal lawyer of Kansas City; Dennis Sullivan, Massachusetts commissioner; J. F. Follmann, Jr., Bureau of A. & H. Underwriters, and Al Pingree, Vermont commissioner, and A. J. Jensen, North Dakota commissioner.





## FINANCIAL STATEMENTS DECEMBER 31, 1950

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. Organized 1855	\$12,625,000.	\$103,339,366.	\$59,095,773.	\$44,243,593.
The Girard Fire & Marine Insurance Company Organized 1853	1,000,000.	10,147,710.	6,856,269.	3,291,441.
National-Ben Franklin Fire Insurance Company Organized 1866	1,000,000.	9,795,730.	6,388,425.	3,407,305.
Milwaukee Insurance Company of Milwaukee, Wis. Organized 1852	2,000,000.	26,621,995.	17,269,325.	9,352,670.
The Metropolitan Casualty Insurance Co. of N. Y. Organized 1874	1,500,000.	34,858,112.	26,225,057.	8,633,056.
Commercial Casualty Insurance Company Organized 1909	1,000,000.	39,807,677.	30,226,458.	9,581,219.
Royal General Insurance Company of Canada Organized 1906	100,000.	425,988.	24,127.	401,861.

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE  
10 Park Place  
Newark 1, New Jersey

PACIFIC DEPARTMENT  
220 Bush Street  
San Francisco 6, Calif.

WESTERN DEPARTMENT  
120 So. LaSalle Street  
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT  
912 Commerce Street  
Dallas 2, Texas



CANADIAN DEPARTMENTS  
800 Bay St., Toronto 2, Ontario  
535 Homer St., Vancouver, B. C.

FOREIGN DEPARTMENTS  
102 Maiden Lane  
New York 5, New York  
206 Sansome Street  
San Francisco 4, Calif.

## H. A. Clark Named W.I.B. President for 17th Term

H. A. Clark, vice-president of Loyalty group, was reelected president and chairman at the annual meeting of Western Insurance Bureau. This will be Mr. Clark's 17th term in that office. He warmed up to the job with two terms as president in 1926-28. He was reelected in 1935 and has been returned to the post every year since.

Other officers are Charles D. James, president of Northwestern National, vice-president; W. S. Whitford, president Millers National and Illinois Fire, treasurer; A. A. Krueger and Elmer Domke, both of Millers National and Illinois Fire, assistant treasurers, and T. R. Magruder, secretary.

Directors are F. Glenn Breen, president Standard Fire of New Jersey;

Lloyd W. Brown, Loyalty group; J. E. Hiestand, vice-president Ohio Farmers; Robert E. O'Rourke, president Dubuque F. & M., and Messrs. James and Whitford.

Kent Parker of Western Actuarial Bureau read the subscribers' report.

### Terms Deductibles a Problem

Mr. Clark in his report termed the issuing of policies with large deductibles the most serious problem that has arisen during the year. "It is indeed unfortunate that this type of coverage has found its way into stock insurance," he commented, adding that it is "all the more regrettable that it has obtained official recognition in certain quarters. This, in a way, is tantamount to stock fire insurance going on a mutual basis as to policies so written, and it is a further invitation to the part of property owners to become self-insurers."

Mr. Clark reviewed the many changes occurring during the past year, giving in particular illuminating explanations of the automatic reinstatement and unearn-

ed premium situation, the one-write policy, multiple line laws and the progress made in proposing a redraft of the war risk exclusion clause. He remarked that insurance is truly an American institution, with those engaged in it adhering to the principles and practices of private enterprise even in the face of what sometimes is unfair competition.

## New York Amends N.A.I.C. Uniform Accounting Classes

The New York insurance department has adopted the commissioner's suggestion with respect to uniform accounting instruction. The instructions have been amended with respect to employee relations and welfare classifications, covering group life, compensation, disability, picnics, etc., and establishes a new classification of insurance to take care of items not provided for before, such as fire insurance on buildings and equipment, and fidelity bond cost.

## Wis. Agents Now Will Get Commissioner's Signature

MADISON, WIS.—The Wisconsin legislature, which is due to adjourn this week, has passed the bill that was desired by Urban Krier, executive secretary of Wisconsin Assn. of Insurance Agents, under which fire and casualty agents' licenses are signed by the commissioner rather than by the companies. There is no examination required for license nor any other change in the qualification standards, which are pretty rudimentary in Wisconsin. The license year continues to run from Nov. 1 and town mutual agents continue to be exempted. This is not applicable to life insurance.

## Clark N. E. Marine Special

Commercial Union has appointed Thomas O. Clark special agent in charge of the New England inland marine department at Boston succeeding E. Clifford Ladd, who has joined the W. C. Ladd & Sons agency at Rockland, Me. Mr. Clark has been serving in the Maine and eastern Massachusetts fields.

## Ill. Federation Moves

The headquarters of Insurance Federation of Illinois are being moved on July 1 to new offices in the U. S. F. & G. building at 166 West Jackson boulevard. Mrs. Lillian Herring is the executive secretary and treasurer.

## Am. Agricultural in Okla.

American Agricultural of Chicago has been licensed in Oklahoma for fire and casualty reinsurance. Ralph Gfeller is appointed general agent for Oklahoma.

## Surplus Line Bills in Mo.

Surplus line bills in the Missouri legislature have already passed the senate and are up for final passage in the house. Under these bills excess insurance may be written upon an affidavit by the agent that he can not place the line with a regular company. Heretofore the affidavit had to be made by the person seeking the coverage. The bills also raised from 2% to 5% the premium fee to be paid.

## Russell Joins Murchison

Fred W. Russell has joined Kenneth Murchison & Co. of Dallas in an executive capacity and will be in charge of production.

Mr. Russell has been a senior account executive with Marsh & McLennan at Chicago since 1943. He started with Connecticut Mutual Life and later was with Rollins, Burdick, Hunter of Chicago.

## Surplus Line Bill Signed

Gov. Lausche has signed the bill passed by the Ohio legislature providing for the writing of surplus line insurance.

## Engineering Work of Laboratories Is Reorganized

Underwriters Laboratories has reorganized its engineering departments. Karl S. Geiges has been appointed chief electrical engineer. A graduate of Newark College of Engineering, he joined the laboratories' staff at New York as assistant electrical engineer, later becoming associate electrical engineer and then service engineer in the label service department. On returning from navy service in 1946 he was placed in charge of the electrical department at New York.

Mr. Geiges is taking up the electrical department duties of M. M. Brandon, vice-president, who will devote much of his time to his work as chairman of the electrical committee of National Fire Protection Assn.

Directing electrical department operation in the three testing stations will be D. B. Anderson, New York; W. R. Rilling, Chicago, and H. G. Dodge, San Francisco, with the titles of electrical engineers. H. B. Smith of New York is standards engineer for the department. H. B. Whitaker has been appointed senior associate electrical engineer and R. E. Dufour senior associate chemical engineer, both at Chicago.

Appointed associate electrical engineers are: At Chicago, G. E. Coole, L. H. Horn, J. S. Capps, L. C. Neumann, W. H. Farrell and W. C. Walsh; at New York, F. Neumer, F. T. Wright, G. E. Schall, R. H. Fries, C. B. Zimmerer, L. P. Monti, N. M. McCorkle, and H. E. Baker; at San Francisco, O. G. Wedekind and J. A. MacNabb.

New associate chemical engineers are E. N. Davis, A. E. Maitre, C. C. Clogston and W. C. Westerberg; associate engineers, gases and oils department, W. W. Reymier at Chicago and J. W. Cannon at San Francisco; senior assistant chemical engineers, O. A. Cavanagh and A. J. Stabovitz.

## Dominion Board Elects

J. H. Harvey, Great American, Toronto, was elected president of Dominion Board of Insurance Underwriters at the annual meeting. He succeeds J. E. Haskins of Toronto.

James Matson, Royal-Liverpool, Montreal, was elected first vice-president and Hugh Ham, Western Assurance, Toronto, second vice-president.

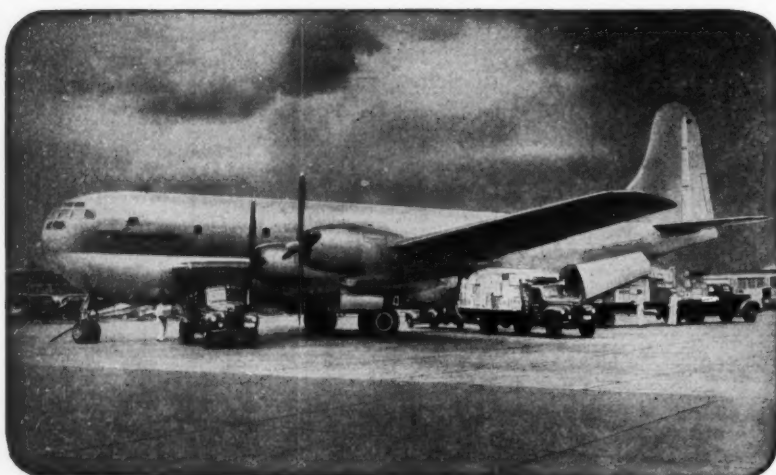
## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago

June 12, 1951			
	Div.	Bid	Asked
Aetna Casualty	3.00*	87	90
Aetna Fire	2.25*	52	53 1/2
Aetna Life	2.50*	66	67 1/2
American Alliance	1.50*	31	32 1/2
American Auto	2.00	43	Bid
Am. Equitable	1.50	26	27 1/2
American (N. J.)	1.00	20 1/2	21 1/2
American Surety	3.00	52	55
Boston	2.65*	62	64
Camden Fire	1.15*	20 1/2	21 1/2
Continental Casualty	2.50*	65 1/2	67
Fire Association	2.60	56 1/2	58
Fireman's Fund	1.60	48	50
Firemen's (N. J.)	.70	20	21
Glens Falls	2.30*	56	58
Globe & Republic	.80	13 1/2	14 1/2
Great American Fire	1.50*	34	35 1/2
Hanover Fire	1.60	32 1/2	34
Hartford Fire	3.00*	128	130
Home (N. Y.)	1.80	36	37 1/2
Ins. Co. of North Am.	2.50	68	70
Maryland Casualty	.80	20	21
Mass. Bonding	1.60	27	28
National Casualty	1.50*	33	34 1/2
National Fire	2.50*	56	57 1/2
National Union	1.80	35	36 1/2
New Amsterdam Cas.	1.50	34	35
New Hampshire	2.20	38	40
North River	1.20	26	27 1/2
Ohio Casualty	1.20	55	Bid
Phoenix, Conn.	3.00*	78	80
Prov. Wash.	1.50	27 1/2	28 1/2
St. Paul F. & M.	.80	29 1/2	31
Security, Conn.	1.60	32 1/2	34
Springfield F. & M.	2.00	45 1/2	47
Standard Accident	1.60	32 1/2	34
Travelers	14.00*	535	545
U. S. F. & G.	2.00	46 1/2	48

\*Includes extras.

## Air Cargo Insurance



DOING STRATOFREIGHT

**W**HEN air cargo moves at three miles a minute—and every minute means money—then air cargo insurance service must move at the speed of flight, too.

But, as in aviation itself,—speed and precision in insurance service require years and years of practical experience and a world of knowledge. And a mind open to change!

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## General Agents Name Cragg Head

GLENWOOD SPRINGS, COLO.—American Assn. of Managing General Agents at its annual meeting here elected as president Harry E. Cragg, Alfred Paull & Son, Wheeling, W. Va.; chairman executive committee, J. Leonard Brown, Braerton, Simonton, Brown, Denver; vice-presidents, Jules E. Simoneaux, Henry A. Steckler Co., New Orleans, and Carl N. Homer, Deans & Homer, San Francisco; secretary, Herbert Cobb Stebbins, Cobb & Stebbins, Denver; executive committee, Sam H. Stewart, American Agency Co., Tulsa, immediate past president; S. Linton Smith, W. N. H. Smith & Sons, Raleigh, N. C., and Stewart H. Richardson, F. F. Richardson, Inc., New York City.

The trip to Aspen and the world's longest ski lift as guests of the Mountain States Assn. was a thrilling experience for convention guests.

A special committee with Joshua K. Shepard of Little Rock, as chairman, was appointed to draft a resolution petitioning Congress to assume all losses to life or property occasioned by or arising from enemy attacks in peacetime or war.

The 1952 meeting will be held May 18-21 at the Greenbrier hotel, White Sulphur Springs.

### Deters in New Post

CINCINNATI — Fred Deters has joined Wilmark Insurance Agency as agency manager and will handle local business. Mr. Deters operated his own agency since 1947. Except for military service in the last war he has always been in local agency business.

Mark H. Kroll was reelected president and chairman of the agency and Samuel H. Levinson is vice-president.

### Insure Mont. Art Collection

Montana Assn. of Insurance Agents has insured for 300,000 the paintings in the state capitol buildings at Helena, many of which are of great historical value. They were covered under a fine arts policy written in Home.

### Home Declares Dividend

Home has declared a semi-annual dividend of 90 cents a share on the common stock, payable Aug. 1, to stockholders of record July 2. This is at the same rate as the previous semi-annual dividend.

### New Colo. Accident Form

The Colorado state motor vehicle division has developed a new form for reporting automobile accidents which should eliminate the frequent license suspensions in the past due to improper accident reporting procedure.

The new form has a detachable portion which will be mailed to the driver's insurance company for verification of coverage.

### 112 Insurers on \$2,000 Loss

MEMPHIS—A fire loss on city property of a little more than \$2,000, when paid, proved to have been divided among 112 companies. City officials feel that there should be a simpler way of handling the city's fire coverage.

### New Rules in Ky.

LOUISVILLE—The Kentucky Inspection Bureau announces adoption of the new plan for deferred payment of the term premium and also the annual extension plan. The unearned premium endorsement is withdrawn and the automatic installment clause is published.

### Ohio Veterans Are Cited

The Ohio Farm Bureau insurance companies presented 64 of their oldest employees with gold watches, gold desk

clocks, or diamond-studded pins at the annual award dinner. Among those honored were 11 employees who joined the multi-million dollar organization 25 years ago when it was in its infancy. They included M. E. Foltz, the man who set up the claims department in 1927 and now serves as vice president—claims for all three companies; J. E. Keltner, who trained the first agents and is now vice-president-controller; and Carl C. Bair, who was one of the four original field men for Ohio Farm Bureau Federation and is now director of policyholder relations.

### Kahrs Resigns; Freund in London's Pittsburgh Post

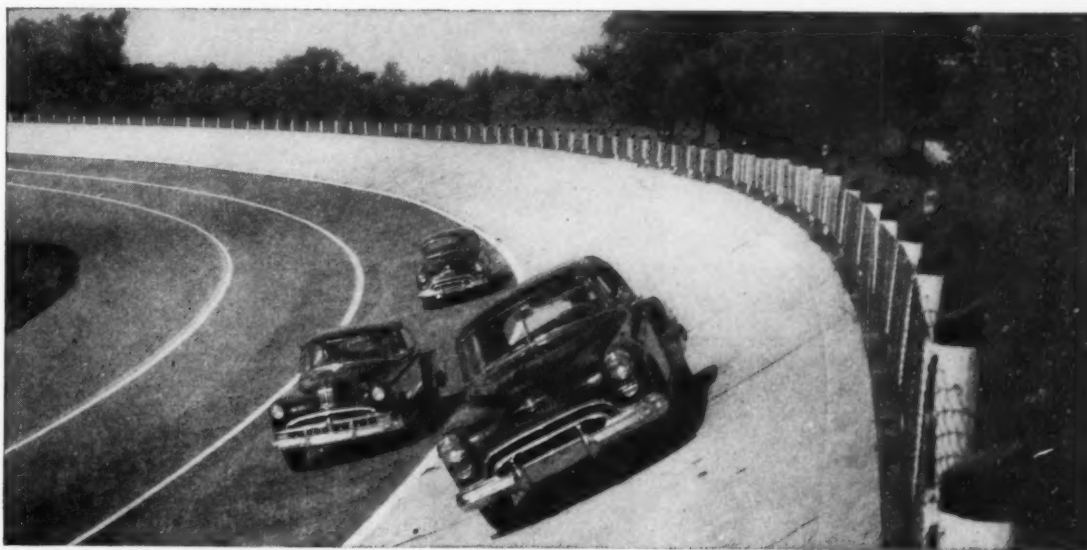
London Assurance has appointed Vincent J. Freund state agent in western Pennsylvania and West Virginia to succeed Charles H. Kahrs who has resigned.

A native Pittsburgher, Mr. Freund has been engaged in home office, agency and field work.

Dorsey W. Roper of Petersburg, Va., has been elected president of the newly

organized Petersburg-Hopewell Assn. of Insurance Agents. H. M. Ford, Jr. of Hopewell is vice-president and William Cato of Petersburg, secretary. Present at the organization meeting were President H. Linwood Ford and Manager William N. Day of Virginia Assn. of Insurance Agents and Robert Greathead of the B. P. Carter Co. general agency of Richmond.

Insurers General Agencies at San Francisco has been named general agent for Guaranty Union Life. George R. Wilmot has been appointed manager of the agency's life and group operations.



New Cars go "Through the Mill"

## IN THE INTEREST OF GREATEST POSSIBLE CONSUMER SERVICE . . .

automobile manufacturers for many years have given car buyers a thoroughly tested product. For the same good reason, the North British Group for years has offered Automobile Insurance policyholders this tested service:

Since our Automobile Department operates country-wide, branch offices and fieldmen's headquarters, located in all principal cities in this country and Canada, plus our nation-wide adjustment offices, are available to service promptly any loss your clients may sustain, no matter where they may be.

In addition, our local agents, found in practically every city and town in the entire forty-eight States, are always glad to be of assistance.

The convenient facilities of these national "Service Stations" will enable your policyholders to proceed in an emergency without unnecessary delay. These tested and proven facilities are important and essential, particularly during the vacation months ahead!

— Automobile Department —

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THE PENNSYLVANIA FIRE INSURANCE COMPANY  
THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK  
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[ Writing all Automobile Insurance classes — Fire, Theft,  
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Boston  
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# 40% GO DOWN FOR THE LAST TIME...



Statistics show that when major fires occur in business houses, only six out of ten can display a "business as usual" sign. Had the remaining 40% of these concerns carried business interruption insurance, most of them could continue operations. You can render a real public service by actively soliciting *business interruption insurance*—it benefits the whole community because it furnishes employment after the casualty of fire, assures trade with suppliers and customers, and keeps the wheels of industry rolling. We can assist you to develop this business...call on us and we'll show you how.

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## Pleads for Clarity of Language by Form Framers

John T. Even, assistant manager in the western department of Fireman's Fund, in his talk at the annual meeting of National Assn. of Independent Adjusters last week at Dallas voiced the hope that in the near future after forms have been devised, printing and distribution will be held up until the words used can be checked and analyzed. Speaking particularly of the business interruption form, he said it is unfortunate that payment, whether the insured has fulfilled his obligation or not, depends on the interpretation of words which have no fixed or common meaning.

He also suggested that in the preparation of forms designed to insure loss of earnings caused by destruction of buildings, machinery and equipment, there be more consultation with the accounting profession, or experts in various industries, so that words having clear meaning to them can be used.

In a study of business interruption losses over the past several years, Mr. Even said the indications are that in all losses in excess of \$4,000 about 75% only of total claims have been paid because of coinsurance penalties. While some persons contend this is because the form is not properly sold, or because insured lacks understanding, Mr. Even remarked there is another group which holds that the language used in the forms is so general that it is difficult to have a meeting of the minds after a loss.

Mentioning one of the midwest forms, he noted that gross earnings is defined in part as "total sales value" of production. Since value reflects an object's worth, the addition of the word "sales," which has no meaning as an adjective, makes the meaning of the language ambiguous, he declared.

### Definition of Service

One of the most controversial subjects in adjustments on business interruption is the meaning of "service rendered" in the phrase "cost of materials and supplies consumed in the service rendered." Mr. Even said service has a variety of meanings, but he has been unable to find one which appears to be applicable to a manufacturer. The word service could mean all the auxiliary activities required in the production and distribution of the insured's products.

In preparing amounts of insurance needed to comply with the provisions of the coinsurance clause, the nature of many items must be considered, such as rents paid on a basis of percentage of sales; royalties paid on a basis of percentage of production, or bonuses paid to important employees on a basis of percentage of production. Mr. Even

asked what would be the application of these situations to the requirement of "whether or not said charges and other expenses necessarily continue" in the coinsurance clause. The coinsurance clause refers to item one in this form, under which any costs or expense which could not continue during any suspension would not be covered.

"The term 'whether or not said charges and other expenses necessarily continue' apparently means whether or not said charges and other expenses necessarily continue during the suspension involved in his application, and not irrespective of whether said charges and

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John A. Diemand, president of North America, chatting with W. A. Sullivan, state of Washington insurance commissioner, at N.A.I.C. meeting.

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other expenses could or could not continue," Mr. Even observed, adding that he inclines to the view that any cost or expense which could not continue during any period of suspension, no matter how short a duration, or which could not be lost by reason of any loss of sales or production, need not be included in values for coinsurance clause purposes.

In one jurisdiction the form uses the words "whether or not said charges and other expenses necessarily continue," and in the premium adjustment work sheet to be used with the form, the words "irrespective of whether they could or could not continue" are used. "Whether such language was designed to indicate that both phrases have the same meaning is doubtful," he said.

#### Combination Risk

The midwest contingent business interruption form has a definition of gross earnings defined as "on manufacturing operations of the insured" to be one thing, and on the mercantile or non-manufacturing operations to be another. If all risks were manufacturing or mercantile, adjusters' problems would be simple, Mr. Even remarked, but there are many classes of risk besides manufacturing and mercantile, and there is quite a problem in establishing amounts of insurance needed to comply with the coinsurance clause for risks which are combinations of manufacturing and service. "In view of this condition, the value of the coinsurance clause in the business interruption form is questionable," he declared.

Many experts state that there is no intent to make the basis for coinsurance coextensive with the basis of recovery, and variables cannot be introduced in establishing the basis for coinsurance. Mr. Even said he does not argue with this theory, "but the issue should not be confused by the introduction of possible periods for rebuilding, premium income, rate levels, intent on part of drafters of forms, and a lot of other factors which have no bearing on the subject. It appears that the language of the form must control, and it is the clear, unambiguous language which must govern the decision in every case."

#### St. Paul F. & M. Makes N. D. Changes, Aas New Manager

St. Paul F. & M. has appointed Alvin Aas, formerly claim manager for North Dakota, manager of that state with headquarters at Fargo. He succeeds Walter H. Mashek, who has been transferred to the home office. Joseph J. Willencring becomes North Dakota claim agent. For several years he has been in the Minnesota claim department at the home office.

Donald Jorgenson has been transferred from the Fargo claim department to Minot, N. D., as special agent.

#### Home Mutuals' Appointments

Home Mutuals of Appleton, Wis., have appointed Larry Speel, comptroller, succeeding R. A. Schensky, who resigned to go with a southern life company; Roy Snyder, accountant, and Howard Plambeck, supervisor of the tabulating machine division, made head of an expanding accounting division.



Alan O. Robinson, U. S. manager of Yorkshire group, and E. G. Trimble of Employers Reinsurance, at National Board dinner.

#### Top Agents of Orlando Company Hold Gathering

The honor club of agents of American Fire & Casualty, known as Royal Palm Club, held its annual gathering at Orlando. Robert N. Knight of Sarasota, Fla., the retiring president, presided.

Walter L. Hays, president of the company, gave a talk on the necessity for competition to maintain the free enterprise system. George S. Bradshaw, vice-president and treasurer, gave a talk on the financial condition of the company. Other speakers included: Baxter M. Porter, vice-president in charge of the fire division; Charles E. Hagar, secre-

tary; Robert E. Trapp, auto manager; C. Blakery, safety engineering; James A. Graves, claim; Frank Cabe, manager of aviation; Leland Corey, assistant treasurer; Joseph Landers, advertising; Harold E. Marsolf, education; Bill Hays, miscellaneous casualty; J. E. Horsley of the Horsley Insurance Agency, Miami; and J. Elliott Hall of Penn Mutual Life,

#### New Western Adjustment Branch

Western Adjustment has opened a branch at Chicago Heights, Ill., with M. J. Juric as manager. Mr. Juric has been with Western for five years serving in the Cook County, mid-city and Aurora, Ill., branches.

#### Slot Machine Policies Make Bow in Britain

According to advices from England, slot machine insurance is just making its appearance there and it is attracting considerable attention. What is called automatic slot insurance was featured in the Festival of Britain. A sixpence bought 24-hour personal accident insurance to the tune of \$1000. There was in the Festival of Britain an exhibit called "Risks Round the World" indicating the worldwide insurance activity of British companies and the slot machine was in operation there. There is talk that these machines may be installed at airports.

## Buying or Selling an Agency Now? Next Month? Next Year?

HOW MUCH?

--- is my agency worth?  
--- should I pay for an agency?  
--- could my agency be sold for?

By A. L. Polley, Vice-President  
Hartford Fire Insurance Company

How much is my agency worth? How much should I pay for an agency? How much could my estate sell my agency for?

These are all questions which most agents from time to time ask themselves and their fieldmen. They are likely to get quite different answers from different men of equal experience and ability. There is no definite answer. There are too many variable factors. No two agencies are exactly alike and in addition if they were, the value would even then vary from time to time as business conditions change.

The true value of anything at any particular time is what it may be sold for.

the agency would be, in your opinion, the most valuable, then imagine yourself in his place and make up your mind what you would be willing to pay.

Now what are the good-will elements which constitute an agency and what are their values?

- Expirations—(A tangible asset).
- New clients to develop—(Intangible good-will asset).
- Company representation—(Intangible).
- Valuable employees and solicitors.

How Much for Renewals?

Let us first consider the most important factor—the actual value of the agency.

whether the business is from a clientele which is young, growing and likely to retain and increase the value of the property they have to insure or the opposite. If mainly a clientele well along in years, some business may be lost through death and the liquidation of estates or obsolescence decreasing the value of their insurable property.

The average size of the accounts is important. An agency made up of a relatively small number of large accounts is subject to more dangerous competition than one made up of a large number of relatively small accounts. The large account is always a target and when there is a change in the agency writing the business every one who knows of the change real-



Here's a practical guide to the dollar value of an agency. Send now for a free copy of this ever-timely article which appeared in THE HARTFORD AGENT.

Hartford Fire Insurance Company  
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## Independent Adjusters Meet in Texas

(CONTINUED FROM PAGE 1)

by the companies on the adjusting end of the business, Mr. Roberts said. The average office is staffed with the minimum number of persons able to handle a "normal" loss load. The more widespread sale of E. C. has caused the number of "catastrophes" to increase, reducing the periods of normal load and causing severe personnel shortages. Mr. Roberts suggested that every office take steps to have manpower

enough to keep current with a normal load. If anything less is maintained, the business is sunk when catastrophe strikes. Borrowing men is no answer to the overall question—if the entire business is shorthanded, he observed. Taking men from a non-stricken area simply drops that area behind in handling everyday losses. If a severe storm were to hit there, an even worse situation would arise.

If a row of 15 identical houses is damaged in a wind and adjusters from different offices handle the losses on a different monetary basis, reasonable grounds for complaint immediately arise, Mr. Roberts stated in urging some effort toward uniformity in practice and policy interpretation. This problem grows acute during catastrophes when Mrs. Jones doesn't get paid for her wallpaper, but her next door neighbor does.

A catastrophe puts the spotlight on insurance, Mr. Roberts remarked. The handling of liability disclaimers needs proper attention. In the northeast storm he said some adjusters turned off their telephones to avoid talking to the insured, who were constantly calling about their losses. A loss situation is the reason why the insured bought the cover in the first place, Mr. Roberts pointed out, but here was a "ludicrous situation" where the company wouldn't talk.

Other speakers the first day were Dean Marlin M. Volz of the University of Kansas City; Felix Elkins, vice-president of Pan-American Casualty, and John Even, assistant western department manager of Fireman's Fund.

Mr. Elkins in his address on "Liability Coverages Under ICC Permit" stressed that the underwriters must keep in mind that an ICC endorsement to a standard automobile policy creates an additional policy or reforms the original policy. He analyzed in detail the ICC endorsements and their effect on the standard policy.

Dean Volz suggested more teamwork be developed between the insurance industry and schools whereby training might be given more specifically to meet business needs. He described the course on investigation and settlement of casualty claims that is being offered at Kansas City, and commented that several law schools are willing to set up similar programs in other cities.

Talks the second day were given by E. Stanley Nowers, Liberty Mutual; Coleman Gay, Austin attorney; Guy Ferguson, Ferguson Personnel, Chicago, and C. Gordon Martin, medico-legal consultant of Dallas.

### Ferguson Gives Office Tips

Mr. Ferguson in his interesting discussion on "Short Cuts to Good Management" gave many tips on how the small office can be made more efficient. He defined good management as the ability to increase the efficiency of an organization while maintaining employee morale, and increasing profits while also increasing services to customers.

In any office, Mr. Ferguson said, each person should have definite responsibilities. He recommended the adoption of an office manual, even in a three or four person office, so that the daily duties of each person are known and nothing will be forgotten if one employee is ill or on vacation.

He urged that the employer or office manager analyze the work in his office. Don't have one or two or three girls carrying the load, and pay several others to do only routine work, he said.

Coleman Gay, speaking on "Trends in Workmen's Compensation Laws," confined his discussion to an analysis of the one change in the Texas law, plus a complete description of the many compensation bills introduced.

Mr. Nowers read the paper prepared by Thomas LoCasale, inland marine department manager of Liberty Mutual, who was unable to attend the convention. The paper reviewed the various inland marine coverages.

The final speaker was C. Gordon Martin, who explained the business of scientific crime detection, restoration of documents and other such matters, by use of slide films.

The association conducted three sumptuous parties in connection with the meeting. The evening before the first general session there was a dinner and entertainment for the men; the second night, following a cocktail party was held an informal supper, and the formal dinner dance honoring the newly elected officers closed the convention Saturday night.

## McCullough Heads Multiple Peril Rating Organization

Multiple Peril Insurance Rating Organization has selected Roy C. McCullough manager. He has resigned as deputy superintendent of the New York insurance department effective June 30 and will assume his new position shortly thereafter. His legal background and board experience in regulatory affairs is expected to assist him in meeting the problems of multiple peril rating. He graduated from Syracuse University in 1939 and from its college of law in 1941. After a year of practice with the Syracuse law firm of Bond, Schoenack and King, he served four years with the air force, leaving as a major.

Then he joined the insurance department as a special assistant to the superintendent and was the author of a number of special studies and reports. In 1949 he was appointed deputy superintendent in charge of property and liability insurance rates. He was also in charge of the complaint bureau of the New York City office.



R. C. McCullough

### Chicago Board Golfs, Feasts

The annual outing of Chicago Board was held, including lunch, golf, and dinner at Edgewood Valley country club. Andrew L. Valentine, Baur, Christensen & Valentine, was chairman of the event.

Syracuse Insurance Women's Assn. held its bosses' night banquet with Sidney B. Coulter, attorney, the principal speaker. Francis Dougherty, Glens Falls, president Syracuse Casualty & Surety Club, installed the new officers: Miss Antoinette Petosa, president; Miss Irene Dickinson, vice-president; Miss Joanne Welch, secretary; Miss Doris Phelps, treasurer. Choral numbers were given under the direction of Albert Deisseroth. Mrs. Edythe T. Mathews is retiring president.

## POSITIONS OPEN

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Cas. Spec. Agt.—Chicago... 6,000  
Fire Spec. Agt.—Illinois... 6,000  
Cas. Spec. Agt.—Ohio..... 6,000  
Cas. Und.—Detroit ..... 5,600  
Cas. Spec. Agt.—Illinois... 5,600  
I. M. Spec. Agt.—Mo..... 5,500  
Fire Pre. Eng.—Texas.... 5,000  
Fire Und.—Chicago ..... 4,800  
Safety Eng.—S. Carolina.. 4,200

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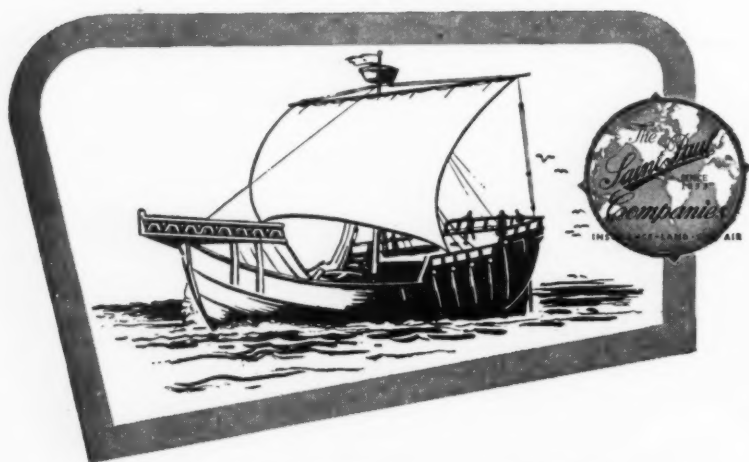
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"the first INSURANCE CONTRACT"



Over two centuries ago, in 2100 B. C., Hammurabi, King of Babylonia, published a set of laws governing the ethics of taking risks on the caravan trade... Insuring ships, cargoes and hulls has been a common practice since the days of Ancient Greece...

The earliest known insurance contract, however, is a Marine Insurance Policy written in Genoa, Italy, in the year 1347.

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Nation-wide organization with very complete facilities for all insurance needs of armed forces personnel desires to appoint local agents near all military and naval establishments. Preference will be given to "one-man" agencies operated by veterans. Please communicate details of your agency and your previous experience, together with the name of the post, base or station on which you propose to solicit, to Address F-60, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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## Philadelphia Mariners Elect John J. Dunn Skipper

At the annual meeting of the Mariners Club of Philadelphia these officers were elected: Skipper, John J. Dunn, Automobile; first mate, Howard T. Jennings, Potomac; yeoman-purser, Charles A. Bischoff, Pennsylvania Fire; Jimmy legs, Richard Cullen, New Hampshire.

The executive committee consists of Cecil Muirhead, Providence Washington, J. Weir Sargeant, North America; Charles W. Barclay, Appleton & Cox; H. Bradley Sexton, Boston, and Raymond G. Shepard, Fire Association.

Twenty members competed for the Babaco golf trophy, which was won by Raymond G. Shepard. Other golf prizes were also awarded.

## International Contest

About 100 ganders from the Michigan Blue Goose and the puddle at London, Ont., gathered at St. Thomas Golf & Country Club, at St. Thomas, Ont., for their first international golf tournament. Announcement was made of the establishment of the Bill Moeller International Golf Trophy.

## Home Employes' Outing

More than 2,100 members of the Fifty-Nine Maiden Lane Club, employe organization of Home attended the annual outing at Bear Mountain. Following the athletic activities, including a softball game between the New York and Philadelphia offices, dinner was served at the Bear Mountain Inn.

## Chicago Board Cooperates

Insurance Director Day of Illinois advises surplus line agents that Chicago Board has agreed to bulletin all automobile and casualty risks, as well as fire and allied lines and marine. Hence surplus line agents may avail themselves of the services of Chicago Board as to all lines in meeting the requirements of the regulation of May 15, 1951, which among other things, recognizes as constituting "diligent effort" to place the cover in the domestic market publishing the risk in the Chicago Board Bulletin.

## Murray Joins Manning

Maurice A. Murray, who has been with the Texas department for several years, has joined T. A. Manning general agency of Dallas as a fire underwriter.

Phoenix of Hartford is going to buy the large home of the late Dr. Charles C. Beach there. The property, which includes the 15-room house containing a large art gallery, as well as a barn and a garage, may be used for a dormitory for out-of-town agents un-



Neil Russell, manager of Chicago Motor Club Inter-Insurance Exchange, and John Pearson, manager of Hoosierland Rating Bureau, at Midwestern Independent Statistical Service meeting.

der training at the new home office now under construction just across the street.

## Kan. OKs E.C. Endorsement

The Kansas department has approved the additional extended coverage endorsement filing of the Kansas Inspection Bureau.

Walter T. Tower, vice-president of Federal Mutual Fire, has been elected to the board. He has been with Federal Mutual since 1931.

## Frear Thinks WDC Program Will Be Confined to Property

WASHINGTON—A war damage program will probably be limited strictly to property damage, in the opinion of Senator Frear, Delaware, chairman of the banking and currency subcommittee on that subject. It has received the budget bureau report on a

"one bite" program for property coverage.

Frear, who has been holding hearings and conferences on the subject, said he did not know what the committee or Congress would decide, and no committee meeting on the matter has been scheduled. However, he indicated, workmens compensation and other suggested features of a far-reaching program would probably not be in the picture.

Southwestern Fire & Casualty of Dallas has been licensed in Alabama.

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## NEWS OF FIELD MEN

### Ohio Field Men Have Full Card

Combined annual meetings of Ohio Fire Underwriters Assn., Ohio Assn. of Fire Underwriters and Ohio State Fire Prevention Assn. got under way at Uniontown, Pa., Tuesday.

Speakers at the luncheon Wednesday were Lowe Wiggers, manager of the insurance department of Procter & Gamble, discussing problems of the insurance buyer; Charles Eichhorn of Columbus, president of Ohio Assn. of Insurance Agents, on the problems of the insurance buyer; Charles Eichhorn of Columbus, president of Ohio Assn. of Insurance Agents, on the problems of the local agents, Walter Dithmer, assistant manager of Western Underwriters Assn. on "What Management is Doing to Meet the Current Problems," and Bert Walinder, secretary of America Fore, Chicago, speaking on questions of farm forms and schedules and Richard Vernor, manager of fire prevention department of Western Actuarial Bureau, Chicago, and Robert

Clark, local agent of Hamilton, O., who presented his prize-winning safety film. At the banquet Thursday, Walter B. Hilton of Cleveland, state agent for National Union, will receive the H. N. Coldwell award presented annually to the man who has made outstanding contributions to the business. Mr. Hilton is being cited because of his work in launching the hospital educational program in Ohio whereunder fire prevention was taught to student nurses. He is the retiring president of Ohio State Fire Prevention Assn.

### Reynolds, Hall Assigned

Great American has appointed Donald H. Reynolds special agent in the mountain field and Allen G. Hall, special agent in Wisconsin.

Mr. Reynolds, who will serve under State Agent Harry C. Matlby with headquarters at Denver, entered insurance following discharge from the army. Mr. Hall will make his headquarters at Milwaukee with State Agent Ben H. Bauer. Since graduation from University of Wisconsin, he has spent a year and a half in the western underwriting department.

We face **NEW PROBLEMS** every day



When a new situation arises, when the unexpected occurs, agents and brokers have learned to depend on Pearl American. They know it is company policy to conform to today's needs rather than yesterday's precedents.

Since agents' problems are really company problems, every agent has the right to expect company teamwork, independence of thought, avoidance of technicalities, fast service, and prompt and experienced underwriters' advice.

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PHILADELPHIA, 436 Walnut Street  
SAN FRANCISCO, 369 Pine Street

NEW YORK, 26 Cliff Street  
CINCINNATI, 1423-24 Carew Tower  
CHICAGO, 175 W. Jackson Blvd.

### Arkansas Fire Prevention Assn. and Blue Goose Elect

LITTLE ROCK — C. D. Swan, Springfield F. & M., has been elected president of Arkansas Fire Prevention Assn., succeeding Arthur L. Parker, America Fore. R. W. Burns, American, is first vice-president; Wayne Bowen, National Fire, second vice-president; Harold W. Melton, Trezevant & Cochran, secretary, and Gus Caras, E. B. & F. R. Bloom & Co., general agents, treasurer. Carl S. Smalley, head of the fire prevention division of Arkansas Inspection & Rating Bureau, continues as the association's executive secretary and also serves on the board, along with Walter Plangman, bureau director, and George D. Suter, bureau manager, as ex-officio members. The latter three plus five elected officers constitute the governing group. Mr. Parker was presented a past president's plaque.

Mr. Swan has announced that the first city to be inspected will be Pine Bluff, the last week in September.

Jack G. Parsons, state agent North British, is the new most loyal gander of Arkansas Blue Goose, succeeding C. D. Swan. R. A. Allison, Trezevant & Cochran, general agents, becomes supervisor; Ralph Baker, Ralph Baker & Co., general agents, custodian; Sam P. Raines, E. E. Raines Co., general agents, guardian (acting for William R. Bayless, now in military service); W. R. Smith, W. R. Smith & Co., general agents, keeper, and Frank Nunnally, General Adjustment Bureau, wielder.

### Dixon, Cal., Inspected

Sacramento Valley Field Club conducted a town inspection of Dixon, Cal. At the banquet, H. C. Reilly, New York Underwriters, inspection committee chairman, reported that 125 inspections were made, 114 hazards tagged, and 414 recommendations made for improvements. Jay W. Stevens, assistant general manager of the National Board, also spoke.

### Loyalty Group Names Foisey

The Loyalty group has appointed Edward A. Foisey special agent in Indiana, except Marion county under State Agent M. B. Yager. Mr. Foisey was formerly with the Indianapolis office of Indiana Rating Bureau, and later with Marsh & McLennan there.

### R. I. Field Men Elect

Rhode Island Field Club at its annual meeting at Providence voted to change its name to Rhode Island Field Men's Assn. Warren R. Campbell, Home, was elected president. New vice-president is Ralph W. Toole, Camden. Norman A. Greene, Providence Washington, was named secretary, and Gothard N. Thoren, London & Lancashire, treasurer.

### Russell to New Ohio Post

Security of Connecticut has appointed George H. Russell as special agent in northern Ohio, with headquarters in the Hanna building, Cleveland. He is a graduate of Ohio University. He started with New Amsterdam Casualty as an underwriter in 1938 and has traveled Ohio as a special agent for Continental Casualty during the last three years.

### Kinney Heads Austin Puddle

The Austin puddle of Alamo Blue Goose elected officers at its annual outing. John W. Gainer, retiring big toad, reviewed the work of the past year.

New officers are: Girard Kinney, Texas Casualty, big toad; Aubrey Reilly, Texas Insurance Checking Office, polliwog; Carter Chapman, Trinity Universal, croaker; Archie Hunter, Loyalty group, bouncer.

Bennett B. Bean, Lexington, Ky., retired, former state agent of Commercial Union, is in St. Joseph's Hospital at Lexington.

### Keeper Campaign for Wiseman Now in High Gear

The committee that is sponsoring Robert L. Wiseman for election as grand keeper of the Blue Goose at the grand nest meeting at Philadelphia Aug. 21-23 is putting the campaign into high gear. Chairman of the committee is George P. Schultze, assistant manager of Home at Washington. Mr. Wiseman is an independent adjuster in the capital. While Washington was part of the Chesapeake pond he served as welder and then he was the first most loyal gander of the National Capital pond. He has been deputy most loyal grand gander at large and has attended the two most recent grand nest conventions at Seattle and French Lick.

### Rupp Gets Navy Call: American Revises Ill. Setup

Special Agent James H. Rupp has been recalled to active duty in the navy, and has been granted a leave of absence by American.

The territory previously supervised by Mr. Rupp is being merged with the east central Illinois territory, under the supervision of State Agent Harold Williams. Special Agents J. Robert Long and Robert J. Pulling are associated with Mr. Williams, and will assist in servicing this new combined territory.

Mr. Long has been a special agent in east central Illinois for 1½ years, and Mr. Pulling was transferred to the Decatur office on May 1.

### Presley Joins American

American has appointed Parker S. Presley special agent for northeast Texas, replacing John J. Palmer who has resigned to enter another business. Mr. Presley has been with North British & Mercantile in northeast Texas. During the war he served with the army air force. Field headquarters are in the Gulf States building, Dallas.

### Pa. Fire Safety Men Elect

J. J. Such of Automobile was elected president of Pennsylvania Fire Safety Assn. at the annual meeting at Bedford. District vice-presidents and assist-



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ant secretaries elected are: Pittsburgh, Daniel Pastorius, Fire Association and G. W. Burney, National of Hartford; Harrisburg, Carl Swarr, F. & G. and Arthur C. Olson, Aetna Fire; Wilkes-Barre, Harry Brown, Fire Association, and William R. Wright, Corroon & Reynolds; Philadelphia, James L. Brown, Jr., Boston, and George F. Houseman, Pacific National. E. J. Mulgrew, Pennsylvania Fire, was elected temporary treasurer.

W. W. Hartman, assistant manager Middle Department Assn. of Fire Underwriters, and Robert J. Vanderbeck, assistant secretary Eastern Underwriters Assn. spoke briefly

## Lilly Newark Manager

George B. Lilly, assistant manager for fire and marine lines of Travelers at Newark, has been appointed manager there, succeeding Herbert L. Denny, who has retired.

Mr. Lilly joined Travelers in 1931 as a field supervisor at Newark and in 1933 was named assistant manager there.



George B. Lilly

## Fete Berry on Retirement

Norman B. Berry, state agent for Aetna Fire at Columbus, retired to the reserve force on his 40th anniversary with the company.

A dinner party in his honor was held at Columbus which was attended by Vice-president H. M. Mountain, Secretary R. H. Learn, and Assistant Manager C. D. Sokol as well as Mr. Berry's associates in the Ohio field. A television set was presented to Mr. Berry.

Mr. Berry spent his entire insurance career with the Aetna, starting in 1911, as special agent in Indiana. He also worked in Tennessee, where he was advanced from special agent to state agent. In 1935 he was transferred to Ohio.

## Joseph Raywid Affiliates with Woodward &amp; Fondiller

Joseph Raywid, statistician and actuary, has become associated as fire insurance specialist with Woodward & Fondiller, consulting actuaries, New York City.

For 20 years he headed Joseph Raywid & Co., affiliate of Corroon & Reynolds. He is a member of Casualty Actuarial Society and American Statistical Assn. He has been active in Insurance Accountants Assn. as a member of several committees and chairman of the statistical research committee. He participated in several special studies conducted by National Board and Allied Lines Assn. He conducts a course of

lectures on fire insurance statistical methods for New York Insurance Society.

Mr. Raywid started in the statistical department of Metropolitan Life under Dr. Louis I. Dublin. He served with the New Jersey department as assistant to the general manager of the compensation rating bureau. Later he joined a group of Norwegian fire reinsurers. Subsequently he organized Underwriters Statistical Bureau, which later merged with Recording & Statistical Bureau, where he served as vice-president and actuary.

## South Dakota Meeting Set

South Dakota Assn. of Insurance Agents will hold its annual meeting Aug. 27-28 at Marvin Hughitt hotel, Huron.

## Felker Opens Own Agency

L. R. Felker, for 28 years secretary and office manager of the Laclede agency of St. Louis, has resigned that position to start his own agency in the Frisco building.

## Sayre Lincoln President

Charles D. Sayre, Stuart Investment Co. has been elected president of Lincoln (Neb.) Assn. of Insurance Agents

Clarence Nelson, First Trust Co. is vice-president and Lawrence C. Coy, C. F. Coy agency, secretary.

Insurance Underwriters, Inc., of Georgia is a new Atlanta agency with Chilton T. Hawkins and David D. Henritze as partners. Both are insurance men of long experience.

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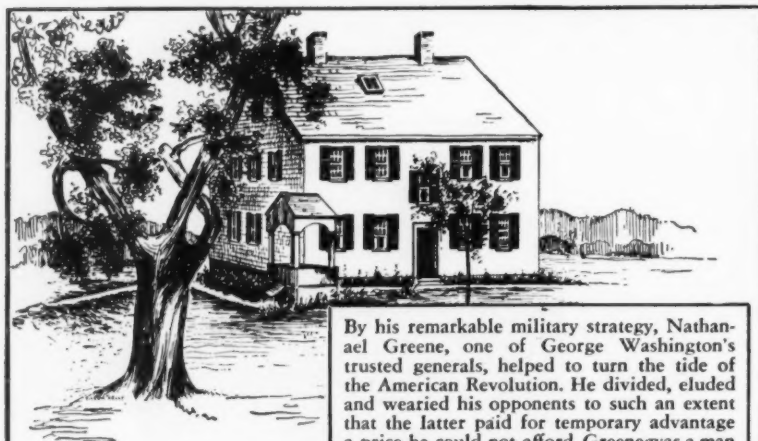
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Mrs. Joseph Collins, whose husband is with the New York department, and Charles A. Loughin, vice-president-general counsel of Home, at N.A.I.C. meeting.



By his remarkable military strategy, Nathaniel Greene, one of George Washington's trusted generals, helped to turn the tide of the American Revolution. He divided, eluded and wearied his opponents to such an extent that the latter paid for temporary advantage a price he could not afford. Greene was a man of vision during peace-time, too; he was the first to urge the establishment of a public school. His talents were recognized by his neighbors, for he was re-elected to the Rhode Island Legislature three times.

The Pawtucket Mutual Fire Insurance Company began to serve its policyowners in 1848. Through the years, it has gained a reputation for sound underwriting principles which foster dividend payments and prompt loss settlements.



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**PAWTUCKET MUTUAL**  
FIRE INSURANCE COMPANY  
25 MAPLE STREET, PAWTUCKET, RHODE ISLAND

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*Fire and Casualty  
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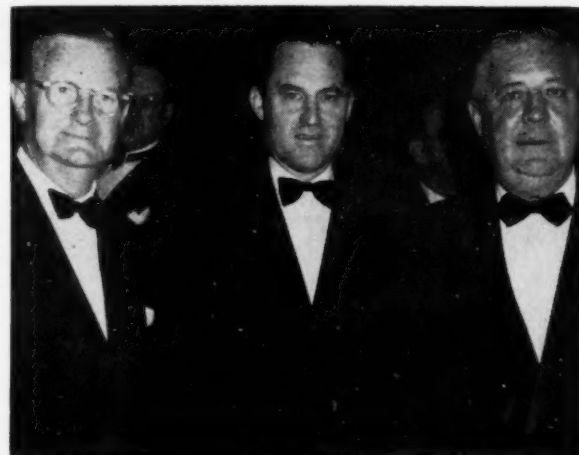


**NARRAGANSETT**  
INSURANCE COMPANY

OF PROVIDENCE, RHODE ISLAND

17 Custom House Street

R. J. Reynolds, chairman; R. A. Corroon, Jr., vice-president, and John R. Barry, president, of Corroon & Reynolds, at National Board dinner.



### Convention Dates

June 18-19, Eastern Underwriters Assn. annual meeting, Mount Washington hotel, Bretton Woods, N. H.

June 19-21, Michigan Fire Underwriters Assn., annual, Ramona Park hotel, Harbor Springs.

June 21-22, Maryland Agents, midyear, George Washington hotel, Ocean City.

June 24-26, New England Assns. of Insurance Agents, summer meeting, Poland Spring, Me.

June 28-30, International Assn. of Insurance Counsel, White Sulphur Springs, W. Va.

Aug. 19-21, Washington Assn. of Insurance Agents, annual, Winthrop hotel, Tacoma.

Aug. 20-22, West Virginia Agents, annual, Greenbrier, White Sulphur Springs.

Aug. 23-24 Oregon Agents, annual, Baker hotel, Baker.

Aug. 27-28, South Dakota Agents, annual, Marvin Hughitt hotel, Huron.

Sept. 5-7, C.P.C.U., annual, Palmer House, Chicago.

Sept. 10-12, Michigan Agents, annual, Grand Hotel, Mackinac Island.

Sept. 10-12, International Claim Assn., annual, Monmouth Hotel, Spring Lake, N. J.

Sept. 10-13, Michigan Assn. of Insurance Agents, Grand Hotel, Mackinac Island.

Sept. 10-13, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Sept. 17-18, Utah Agents, annual, Hotel Newhouse, Salt Lake City.

Sept. 18-19, Western Underwriters Assn., Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 23-26, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 27-28, New Jersey Agents annual, Hotel Berkeley-Carteret, Asbury Park.

Sept. 30-Oct. 4, National Assn. of Mutual Insurance Companies and Federation of Mutual Fire Insurance Companies, Hotel Statler, Detroit.

Oct. 4-5, Tennessee Agents, annual, Farragut Hotel, Knoxville.

Oct. 5-6, Colorado Agents, annual, Broadmoor Hotel, Colorado Springs.

Oct. 15, Rhode Island Agents, annual, Sheraton-Biltmore Hotel, Providence.

Oct. 18-20, Zone 4 N.A.I.C., St. Paul.

Oct. 21-22, Ohio Agents, annual, Cincinnati.

Oct. 24-25, Kansas Agents, annual, Kansas City.

Oct. 29-30, Illinois Agents, annual, Peoria.

Oct. 29-31, Bureau of A. & H. Underwriters, annual, Homestead, Hot Springs, Va.

Oct. 29-31, American Mutual Alliance, National Assn. of Automotive Mutual Insurance Companies, and National Assn. of Mutual Casualty Companies, Edgewater Beach hotel, Chicago.

Oct. 29-31, California Agents, annual, Biltmore hotel, Los Angeles.

Nov. 1-2, Nebraska Agents, annual, Hotel Fontenelle, Omaha.

Nov. 6-7, National Assn. of Independent Insurers, annual, Edgewater Beach hotel, Chicago.

Nov. 13-15, Maryland Agents, annual, Lord Baltimore hotel, Baltimore.

### Expands Richmond Office

Harleysville Mutual Casualty is expanding the territory of its Richmond office. Heretofore that office managed by H. Lee Craig, covered only Virginia but will now take in all of North Carolina. Mr. Craig will continue as man-

ager. The North Carolina claims office at Raleigh will continue under Manager James H. Boudman.

Providence Washington has opened new offices at Vancouver, B.C., under Manager Edward Blyth.

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### WISCONSIN

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The largest insurance agency in the  
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### NEWS

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## U. & O. Study Is Made

The May issue of the N. A. C. A. Bulletin (National Assn. of Cost Accountants) contains a carefully prepared article "Fire and Business Interruption Claim Problems" by Joseph F. Sullivan, who is a partner of Alexander Grant & Co., Chicago. Captions include: Insured Face Many Post-Fire Duties, Claims for Damage to Inventory, "Insight" Losses, "Out-of-Sight" Losses Where Perpetual Inventory Exists, "Out of Sight Losses"—Determination by Gross Profit Method, Claims for Business Interruption Losses, Characteristics of Business Interruption Insurance, Two-Item Contribution Form of Business Interruption Coverage, Gross Earnings Form, Fundamental Considerations in Business Interruption Claims, Preparation of Projections of Operations, Insurable Value and Coinsurance Under Two-Item Coverage, Insurance Under Gross Earnings Form, Income and Expense During Period of Suspension, Expenses Incurred to Reduce Loss, Computation of Loss and Current Conditions that Bear on Business Interruption Settlements, such as the Scarcity of Certain Raw Materials, Increasing Labor Rates and Material Prices, and the Possibility of a Freeze of Sale Prices, Change-over to War Work and Renegotiation.

## Management Institute in Cal.

Laurence Ackerman, dean of University of Connecticut business school, will be coordinator of the program for the institute for advanced agency management, which is being held at Stanford University in July, sponsored by California Assn. of Insurance Agents.

Among those on the program will be Richard E. Farrer, secretary of National Fire; Richard J. Layton, Rough Notes Co.; Prof. Howard S. Kaltenborn, University of California; Waldo Marra, author of business texts, and Herbert Kirschner of Kirschner & Co., coast advertising agency.

Among the courses will be: Profit-sharing plans and perpetuation of the one-man agency; public relations, tax problems of the agent, analysis of customer accounts, the agency solicitor's contract, and legal liability of an agent.

## Ohio FR Bill Signed

The Ohio auto financial responsibility bill, introducing the features of the security type legislation, has been signed by the governor.

**IRWIN L. FREIBERGER**, head of the Freiburger agency at Cleveland, died at Cleveland Clinic hospital at the age of 47. He had been the head of this agency 12 years, following in the footsteps of his father M. S. Freiburger. He was a graduate of Cornell University and Western Reserve law school. He was a trustee of Euclid Avenue Temple and a captain in the Ohio home guard.

## NEWS BRIEFS

**Frank E. Hageman**, insurance consultant of Wauwatosa, Wis., June 15 is leading a discussion on insurance contracts, rates, exposures and losses at the annual meeting of Wisconsin Municipal Utilities Assn. at Menasha.

**Melyin C. Eaton**, president of Norwich Pharmacal Co. and Eaton Laboratories, has been named a director of National Retailers Mutual.

**F. P. Rockwell**, chief supervisor of the life, accident and group claim department, retired from the home office of Travelers after 47 years with the company.

**H. Clay Johnson**, general counsel of Royal-Liverpool, has been nominated to finish the term of the late A. J. Smith as a director of Insurance Society of New York. Other directors have been renominated. The election is June 21.

New officers of **Insurance Women of Los Angeles** will be installed at a dinner meeting June 26 by Gladys C. Main, past national president.

**Insurance Women of Austin, Tex.**, installed new officers at their bosses night meeting. **Norris Parker**, manager Texas Advisory Association and Texas Insurance Checking Office, was installing officer and **Pat Adelman**, local agent, master of ceremonies. New officers are: Mrs. Mary Brewer, E. T. Morris agency, president; Mrs. Daisy Jameson, Crum & Foster, and Miss Elsie Faulk, G. A. B., vice-presidents; Mrs. La Nelle Grobowski, Hammerman & Gainer, and Miss Edna Sparks, Reinhackel general agency, secretaries; Mrs. Neil Peterson, George T. Wicker & Co., treasurer.

Mrs. Mary Sparks, outgoing president of **Insurance Women of Phoenix, Arizona**, installed these new officers: President, Mrs. Lola E. Davis, Home; vice-

president, Miss Eva Medigovich, Equitable Society; secretaries, Mrs. Vivian Bowers, Chet Long agency, and Mrs. Margaret Cartledge, American Farmers; treasurer, Mrs. Jeannine Chilleen, Chet Long agency.

Miss Beatrice Greenfield has been elected president of **Dallas Insurance Women**. Other officers are Mrs. Jack D. Jeffers and Miss Joan Thompson, vice-presidents; Mrs. A. H. Lyford and Mrs. James S. Rifenberg, secretaries, and Mrs. Walter Ritter, treasurer.

**Insurance Women of Buffalo** have elected as president, Lorraine H. Bristow, Century Indemnity; vice-presidents, Harriet Wendelgas, Home Indemnity, and Myrtle G. Green, Fidelity & Deposit; secretaries, Sophia C. Putas, Trav-

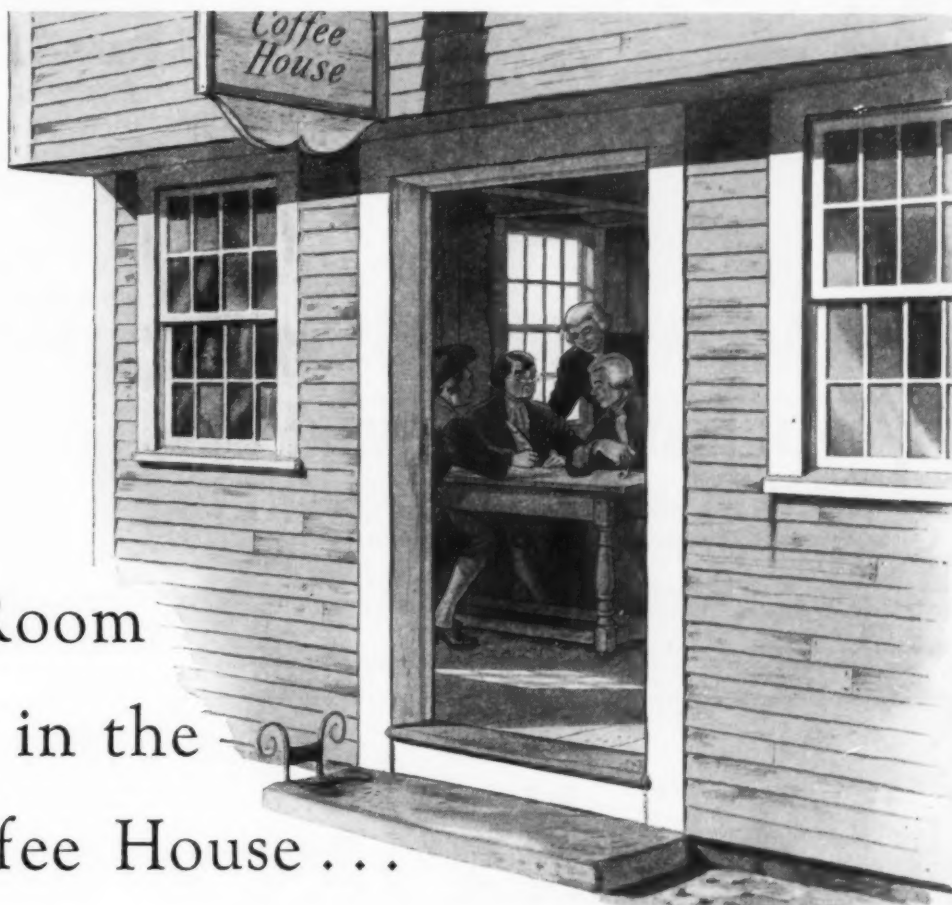
elers, and Mary D. O'Connell, Merchants Mutual; treasurer, Norma I. Rogers, Norman L. Balber agency.

**University Heights, O.**, has been placed in class 4 by Ohio Inspection Bureau.

**Insurance Women of Denver** have elected Ruth Wildt, president; Phyllis Morman, vice-president; Christine Young and Edna Shelley, secretaries, and Marie Ansberry, treasurer. They sponsored a party for veterans at Fitzsimmons General Hospital, Denver.

The E. R. Walker agency at **Athens, O.**, has changed its name to Walker & Ebright.

Donald Laster, formerly with Federated Mutual, has opened an agency at **Des Moines**.



## In a Room in the Coffee House...

A "coffee house" is linked with the founding of some of our oldest insurance institutions. It is so associated with the establishment of the Providence Washington Insurance Company.

In the Exchange Coffee House, at Providence, Rhode Island, the "long room" was a gathering place of principal merchants, the underwriters of those days, who individually shared the risk on cargo and craft sailing from this and other ports. Among them were men who, in 1799, combined their assets to establish the Providence Washington Insurance Company.

From humble beginnings in a room in the Coffee House, Providence Washington now has Branch Service Offices in principal cities and Agents from coast to coast.

*The Exchange Coffee House in Providence was built with funds obtained through a lottery authorized by the State Legislature. In 1799 the founders of Providence Washington arranged to hire the lower floor for \$180 a year for a term of eight years. Our present home office building stands only a block away from the site of the Exchange Coffee House... our first office.*

PROGRESSIVE PROTECTION... since 1799



**PROVIDENCE  
WASHINGTON  
Insurance Company**

FOUNDED 1799

PROVIDENCE, RHODE ISLAND

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### J. G. Berry Is New Chief of Mississippi Agents

Mississippi Assn. of Insurance Agents at its annual meeting at Biloxi elected Julius G. Berry, Tupelo, president, succeeding H. C. Roberts, Canton. Neville Allen, Laurel, was elected vice-president, and E. H. Ruble, West Point, was named to a third term as national state director. Clant M. Seay, Jackson, continues as secretary-manager.



J. G. Berry

New directors are R. H. Searcy, Columbus; I. A. Rosenbaum, Jr., Meridian; W. F. Boone, Pontotoc, and O. Shaw Johnson, Clarksdale, a past president of the National association.

E. H. Reber, Fayette, the oldest living past president of the association, installed the new officers.

### Kyle Again Heads Va. Rating Bureau Governing Board

At the annual meeting of Virginia Insurance Rating Bureau at Hot Springs, Gordon Kyle, vice-president of Aetna Fire, was reelected chairman of the governing committee, and John H. Dillard, Fireman's Fund, vice-chairman. Others on the governing committee are: Automobile (representative not yet named); G. W. Gillespie, Eastern Shore of Va. Fire; C. A. Hancock, Fidelity & Guaranty; A. J. McDavid, New York Underwriters; E. D. Patton, Northern Assurance; J. M. Battle, Northwestern Mutual Fire; L. R. Showalter, Old Dominion Fire; Carroll L. Garnett, Springfield F. & M.; Joseph T. Malone, Travelers Fire; Claude D. Minor, Virginia F. & M.

On the executive committee are W. M. Goodman, Continental, chairman; Hunter Van Lear, Home, vice-chairman; E. S. Broach, Royal; John C. Cole, Fire Association; Stuart K. Frayser, Springfield F. & M.; Guy R. Fridell, Hartford Fire; Richard B. Leary, Great American; S. L. Lucas, Providence Washington; Bernard P. Mallory, Virginia F. & M.

L. O. Freeman, Jr., was reelected manager and R. P. Bell and W. C. Wood reelected assistant managers.

### Fidelity Mutual Appointment

L. Jack Smith has joined Fidelity Mutual of Indianapolis as special agent in the southern sections of Louisiana and Mississippi with headquarters at Natchez. Until January of this year, he had been special agent for American Fire & Casualty in Texas, Mississippi, Louisiana and Arkansas, and since then has been connected with his father's local agency.

### Elect Weeks President

New England 1752 Club at its annual meeting at Tyngsboro, Mass., elected Edward W. Weeks, Fitchburg Mutual Fire, president. Other officers are M. Eugene Hyatt, Middlesex Mutual, vice-president; Robert G. Pyne, Shelby Mutual Casualty, secretary, and Robert J. Geary, Dorchester Mutual, treasurer.

### Springfield Graduates 14

Fourteen young men have just been graduated from the Springfield Fire & Marine training school. President William A. Hebert delivered a brief inspirational message and extended personal congratulations to the graduates. Having completed a year's intensive study of insurance fundamentals under the supervision of Arthur H. Clarke, director of education, they have been assigned to various positions in Springfield's country-wide organization.

### Louisville Board Joint Ad on Additional E.C.

LOUISVILLE—Louisville Board of Insurance Agents announced the additional extended coverage endorsement in large newspaper advertisements. The copy describes the coverage briefly, points out the \$50 deductible, shows the rate—expressed as 40 cents per \$1,000 instead of 4 cents per \$100—and suggests that interested owners and occupants of one or two family dwellings get in touch with a board member. Following the style of other advertisements of the Louisville board, the name of each member agency is shown at the bottom of the advertisement.

Members had previously been requested by the board not to advertise the coverage individually until this announcement had been made. Although there was some opposition to the coverage on the part of a number of members, it was felt that a general announcement was necessary as a public service of the board and also to put the board members on record as having made the coverage available, before any non-board or direct writing offices jumped into the limelight. What will be done from now on is up to the judgment of each member.

### Cravey Threatens Probe of Ga. Fire Rate Structure

ATLANTA—Commissioner Cravey has announced that he may insist on a full investigation of the Georgia Fire Insurance Rate Structure. He defended the Atlanta fire department against criticisms by National Board, which said it should be reorganized and should have new leadership in order to be properly effective and efficient. Mr. Cravey termed the criticism "unfair" and "without apparent foundation."

Referring to Southeastern Underwriters Assn. which has also been critical of the Atlanta department, Mr. Cravey said: "They've earned their spurs. Their reputation has been excellent. But they live in a glass house, and let us hope they will continue to enjoy a good reputation in the eyes of the public."

### Mich. Assn. Pushes Safety Plan

Michigan Assn. of Insurance Agents has suggested that local boards sponsor a police safety service of a type inaugurated at Jackson, Mich. The program has as its primary motive the promotion of safety habits among the children through the ninth grade. Carl S. Jackson, policeman who devised the program there will help local boards set up a similar plan.

L. L. George, manager at Oakland, Cal., for Hartford Fire, and Otto Kloppenburg, special agent in southern California for Hartford Accident, have completed 25 years with the companies.



J. F. Van Vechten of Akron, vice-president of National Assn. of Insurance Agents, at commissioners meeting at Swampscoot with Roy L. Davis of Chicago, western manager of Assn. of Casualty & Surety Companies, and L. U. Jeffries, warden of Ohio department.



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## QUACKENBOSS RETIRES

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Frank B. Quackenboss, assistant vice-president of Rollins Burdick Hunter



F. B. Quackenboss

Co. has retired. He will live in the vicinity of Nashville, but will be available to the company as a consultant in engineering matters. He is a veteran in fire insurance engineering work. Before going with R. B. H. he was chief engineer for the Western Factory Assn. for many years.

Mr. Quackenboss will be succeeded as manager of the fire brokerage department by John Folkers, who has been with Rollins Burdick Hunter Co. since 1918. T. J. Ocasek will become manager of the fire engineering department. Mr. Ocasek, with 28 years' experience, is well known nationally in the fire protection field. He was at one time with Underwriters Service Assn. in Ohio.

Rollins Burdick Hunter has promoted Joseph Smith and Morton Luber to assistant managers in the fire brokerage and fire engineering departments.

## Ont. to License Solicitors

TORONTO—The Ontario insurance act has been amended to require all solicitors to be licensed. Superintendent Whitehead says: "They are dealing with the public the same as an agent. They should be subjected to the same tests as the agent and should be required to know as much about insurance as the agent."

## Put Off Auto Dealer Rules

WASHINGTON—The federal trade commission has again postponed the effective date of trade practice rules concerned with unfair and deceptive practices in the installment sale and financing of automobiles in interstate commerce. The postponement is for 30 days after June 7. The rules, which include provisions respecting insurance were promulgated Feb. 6.

## Cosy Loans Forbidden

OKLAHOMA CITY—A ruling of Commissioner Dickey forbids any domestic insurer or subsidiary to make a loan to any officer or director or indirectly.

## Mariners Fete Preston

A farewell party honoring C. H. Preston, new president of A. B. Knowles & Co., was staged by Board of Marine Underwriters of Seattle. Mr. Preston, who has been vice-president at Seattle, is moving to San Francisco to succeed A. B. Knowles, retired.

T. W. Rice, for three years special agent at Los Angeles, replaces Mr. Preston at Seattle.

## Gets Surplus Line O.K.

Guaranty Fire & Marine of Charleston, S. C., has been approved by Florida and Massachusetts as a surplus line carrier. Risks emanating from Massachusetts will be cleared through B. H. York & Co., 19 Kilby street, Boston. All hotel business in zone 1 of Florida will be cleared through John Ratterree & Co., Greer, S. C.

## Fines Portland Agency \$100

A \$100 fine has been assessed by Commissioner Sullivan of Washington against the Preferred general agency of Portland, Northwest general agency for Colonial of Los Angeles, for violating rate filings.

The hearing on the alleged violation

had been scheduled by the department, but according to Commissioner Sullivan the agency acknowledged that errors had been made in the writing of a risk under schedule and experience rating plans and submitted to the fine voluntarily.

## McKelvey Joins Son's Agency

George H. McKelvey, who was for many years Newark manager of American Casualty, has joined the agency of his son, George H. McKelvey, Jr., at Chatham, N. J.

Texas Companies Organize  
New Reporting Form Assn.

Reporting Form Insurance Assn. of Dallas has been organized by nine Texas company groups. It will offer facilities to agents of those companies for handling large lines of fire insurance and allied perils on reporting basis. For the present, operations will be confined to Texas.

Member companies are Atlantic and Gulf, Security National and Trinity Universal, Southwestern F. & C. and

Superior, all of Dallas; Commercial Standard, Commercial Standard Fire & Marine and Houston Fire & Casualty, Fort Worth; American General and San Jacinto of Houston and American Indemnity and American Fire of Galveston.

## To Plan Year in Okla.

The executive committee of Oklahoma Assn. of Insurance Agents will meet at Oklahoma City June 15-16 to select committees and work out plans for the coming year's program.

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# Casualty People Win Rate Principle at N.A.I.C. Parley

(CONTINUED FROM PAGE 1)

that in the committee the 1.5 figure was wanted by Allen of Tennessee, Maloney of California and Day while Allyn of Connecticut voted against this committee.

Commissioner Leslie of Pennsylvania asked from the floor whether the committee had taken into consideration the fact that some 26 jurisdictions have accepted a 2.5 factor. Mr. Day replied that the committee was fully cognizant of that and the report contained certain language and provisos that were dictated by that fact. Mr. Leslie said that Pennsylvania had approved a 2.5 factor after the matter was given the fullest consideration by stock and mutual companies, by the state fund and by the state authorities. He declared that the recommendation of the Day subcommittee was contrary to the action that

was taken in Pennsylvania and inconsistent with what has been done in 26 jurisdictions. Hence he declared that it was unwise for the association to act on this controversial question. He spoke of the fact that there are a number of new commissioners who have not had a chance to review the report. He offered an amendment to delete from the report all reference to the profit and contingency factor and providing that the question be referred back. This was seconded by Southall of Kentucky.

## Maloney Supports Day

Maloney of California came to the rostrum to speak in favor of the 1.5 factor. He recalled that N.A.I.C. many years ago went on record for a rating formula that for a long time lacked any factor for profit. The idea of introducing

a profit factor, he said, originated with the state supervisors. N.A.I.C. went on record in favor of introducing such a factor and the question was how much this factor should be. He said that the 1.5 figure results in an over-all profit, if consideration is given to interest earnings, of about 4.3%.

Cheek of North Carolina, siding with Leslie, said it is illogical to take action inconsistent with the stand that has been taken by individual commissioners. The workmen's compensation business puts a burden on the insurance companies and if they are required to provide it, they should be able to extract a profit from it, he said. North Carolina, he declared, had approved a 2.5 figure this year after having granted a 1.5 factor the previous year. The matter ought to be studied a little further at least, he said, before N.A.I.C. tells North Carolina it made a wrong decision. He indicated that the profit factor is most appropriate for introduction when the rates are on the way down.

## Free Enterprise in Arkansas

Graves of Arkansas said in his state it is committed to the principle of free enterprise. A 5% underwriting profit has been allowed in fire insurance and he said he doesn't believe that the companies should be required to operate without profit in workmen's compensation. Arkansas, therefore, approved a 2.5 figure. Alexander of Iowa expressed the belief that the committee should not preempt the exercise of discretion by the states.

Mr. Day declared that from 1918 to 1949 there was a complete absence of any profit factor in the rate-making formula.

When the Leslie amendment was approved by an overwhelming voice vote, Mr. Day moved that there be stricken from the report any reference to further study of the subject and that the committee be discharged from further responsibilities. This was adopted unanimously.

This action was highly gratifying to the casualty contingent that turned up in Swampscott in fighting fogs and with an aggressive determination to struggle back to a living rate level and to shed any vestige of an apologetic attitude that might be found.

## Day Shows Impatience

Mr. Day, in his report, pointed out that this matter of a profit and contingency factor has been on the agenda since December, 1948. Mr. Day obviously felt that the question had been in the mill long enough and that it was high time for a decision.

There were several sessions held on the highly controversial matter of installment payment of the term premium or the annual renewal plan for fire insurance.

The subcommittee stirred up a hornet's nest with the recommendation that the income in each year's statement should reflect the actual amounts charged to and payable by the assured during the year on term policies written on an installment payment basis, and that the unearned premium reserve should reflect the unearned premium on such charges registered and in force at the end of the statement year. There was a last-minute amendment making this treatment applicable to new and renewal business only.

The committee went on to say that while technically the installment term policy is a contract creating rights and obligations for the full term of coverage specified thereon, the right of the insured and the company to terminate the policy at any time during the term makes it analogous to a one-year policy on which only a single annual premium has been received. Also the financial requirements on term policies, if set up in accordance with the contractual terms of coverage, impose reserve and investment requirements which limit the



Donald Dickey, Oklahoma commissioner, and Frank Sullivan of Kansas, the new president of N.A.I.C., at insurance commissioners meeting at Swampscott.

writing capacity of companies. The confining of allowable assets to installment premiums charged and the premium reserve to the unearned portion thereof does not overstate or understate assets or liabilities when installments are viewed as premium charges for the period to which they specifically apply, the committee said.

## Ignores Arkansas Decision

John C. Phillips of North America declared that this conclusion brushes aside the significance of the contract obligation involved. He observed that the Arkansas supreme court just recently found that this is a term policy as a matter of law and an enforceable obligation. Therefore, the payments that are to be made by the insured are assets and must be accounted for. He said that the committee's recommendation ignores that decision. Those companies using the installment premium endorsement to the regular term policy should be permitted to account for the installments to be paid. He insisted there is a definite legal difference between the annual renewal plan and the installment payment of the term premium. This difference should be recognized.

L. U. Jeffries of the Ohio department cited an Ohio supreme court decision in 1936 saying that it was a one-year contract. Bradford Smith of North America declared that in this case the Ohio contract involved required a renewal each year and an instrument had to be given to the insured each year. In contrast to this, the North America policy is a five-year contract with an installment premium endorsement.

F. J. Marryott of Liberty Mutual said if companies can be required to treat three-year policies as if they were one-year policies because the premium is paid in annual installments, then it would be just as logical to allow one-year policies to be treated as 30-day policies when the premium is paid in monthly installments.

The executive committee declared that a matter previously approved by the subcommittee on reinsurance and approved by the entire association was a matter which could not be reopened through the executive committee, but should be referred to the committee on reinsurance for consideration by that committee as a new matter.

## Minimum Commission

The reinsurance matter was a provision that credit in premium reserve only be given for the minimum commission under a sliding scale commission reinsurance treaty. John Lambie of North Star said this question had come up before the subcommittee of the executive committee at Los Angeles last December. Former Commissioner Downey of California had made some remark that the reinsurance people construed as indicating that the committee report would conform to what the reinsurance people were advocating but it did not do so and the reinsurance people didn't wake up to the fact that there had been a misunderstanding until just recently.

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Stone of Nebraska as chairman of the subcommittee, contended that everyone had his innings and he opposed changing the regulations. He declared there had been a hidden liability of \$500,000 in the Preferred Accident because of the sliding scale commission. However, it was decided that the matter should be referred back to the subcommittee.

Later, in private, there was some discussion indicating that the Preferred Accident matter had not been quite as Mr. Stone had stated it to be.

#### London Lloyds Question

At a meeting of the executive committee, Mr. Stone declared that the subcommittee on reinsurance had assigned to it a question of whether London Lloyds reinsurance should be treated any differently than that of any other alien business. That matter, he said, is still under consideration although the committee seems to have fallen apart.

In a report of the A. & H. committee it was stated that a question was raised with respect to the interpretation of section 12 of the model uniform individual A. & H. policy provisions law dealing with effective date of the act insofar as it permits the use of policies issued after the effective date of the act but prior to the period when mandatory compliance with the law is required. The committee agreed that the law should be interpreted to permit insurers to continue the use of policies approved prior to the effective date of the act and to obtain approval of policies complying with the old standard provisions law until such time as the new law becomes mandatory which under the uniform law is five years from its effective date.

J. Raymond Berry, general counsel of National Board, reported on the study that his people agreed to make on the so-called investment or banking profit or loss in the rate structure. He said National Board was asked to conduct studies on the term rule including the question of interest earnings. While his people in principle are opposed to the inclusion of any flavor of so-called investment or banking profit or loss in the rate structure they have conducted this study solely from the standpoint of serving the commissioners in their effort to attain absolute accuracy.

#### Wants 1921 Provision Kept

National Board, he said, believes that the provision in the 1921 profit formula should be retained which states that no part of the so-called banking profit or loss should be considered in arriving at the underwriting profit or loss. National Board insists that a formula for rate making should not be geared to rates of investment yield in a money market, that rates of yield have no relationship to premium rates, that interest rates govern the use of money and that premiums govern exposure of the loss by fire and other perils and that these two subject matters should not be united into a formula for fire insurance rate making. However, without departing from principle National Board has conducted a study covering the operations of 405 stock companies for 1949 and concluded that the maximum possible earnings on the invested portion of the unearned premium reserve would approximate .045% before federal taxes of 1949 earned premiums, all lines. These companies held 51.3% of their assets in cash, agents' balances and government bonds. These more than covered their combined loss and premium reserves and net yield on the government bonds after federal income and excess profit taxes would probably range between  $\frac{3}{4}$  and  $\frac{7}{8}$  of 1%.

A further test was made for 1946 covering 105 companies. There was assumed a gross interest rate of 2% which produced the maximum possible interest earnings before taxes of .039% of the premium reserve.

For 1949 earned premiums were \$2,286,574,000, premium reserve \$2,240,888,000, less companies' surplus contribution of 40%, \$896,355,000, balance of reserve \$1,344,533,000. There was held in cash \$520,885,000, and agents' balances, \$301,520,000, in government bonds

\$522,128,000. Interest at 2% on government bonds produced \$10,442,000 which is .0457% of earned premiums.

Mr. Berry said no attempt was made to measure the loss of investment income on company surplus which went into the establishment of premium reserve as has been done in the past to more than offset any possible earnings on the investable portion.

In arriving at the invested portion of the premium reserve there must be deducted from the total reserve the portion of the reserve set up in advance of the receipt of premium, the portion covering initial expenses and the portion represented by cash and agents' balances. This shows that the maximum possible interest earnings are insignificant and in line with the long term trend in investment yields will undoubtedly become an even smaller factor in the future. This rate of return would further be reduced to between 1/10 and 1/20 of 1% after federal taxes.

Tacked onto the report was a suggestion that the commissioners and the business get together to discuss the application of point 4 of the amended 1921 profit formula. That point was amended to substitute the word "catastrophe" for the word "conflagration" extending its application to large losses other than straight fire losses. It was further



Wade O. Martin, Louisiana, new vice-president of N.A.I.C., at Swampscott meeting with Bohlinger of New York, Hugh Tollack, assistant secretary at Chicago, and Dudley Guglielmo of Louisiana department. Picture by Harry Fuller of National Bureau of Casualty Underwriters.

amended by the addition of a percentage of premium test. In applying this amended definition, some question has arisen since the percentage of premium referred to is fire premium, whereas the loss may be from a peril other than fire. Some clarification of this language may be desirable.

The casualty and surety committee report was presented by Hugh N. Mills, West Virginia deputy, in the absence of Commissioner Crichton of that state. He said that National Automobile Underwriters Assn., National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau are agreeable



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to allowing 10-day cancellation clause in auto policies. However, they prefer to handle this matter by agreement pending a reprint of the policy for other changes.

On the matter of automobile policies for men in uniform, the committee said there are many unsolved problems and the questions involved are not easy of solution. The committee said that the "industry" had agreed to study the matter further.

The committee said that one department had expressed objection to companies eliminating specific perils under

general liability policies and giving a rate discount under the "unique and unusual conditions rule." However, the committee felt that this was a matter for each state to handle and refrained from making a recommendation.

The problem was taken up of employers who are not required to carry workmen's compensation insurance in securing protection against liability for injuries to their own employees arising out of the use of employer-owner vehicles. The "industry" indicated intention to study this matter, the committee said.

On the question of trend criteria in

rate-making, the committee said that prospective rating is well recognized but great care is needed in its application. The committee approved the idea of trend criteria in general and said that this can only be accepted when the criteria is as readily available to the state as to the insurers.

The committee on rates and rating organizations recommended that Multiple Peril Insurance Rating Organization as outlined by Edward Taylor of Aetna Fire be licensed by the various states.

A decision was reached to expand the size and scope of the laws and legisla-

tion subcommittee on uniform deposit laws and regulations. It was decided that the subcommittee should also study security or insolvency funds. In the course of that investigation they should try to set up a conference with those in the business. The committee originally consisted of Kavanaugh of Colorado as chairman with Sullivan of Washington and Maloney of California as members but was increased to take in Butler of Texas, Dickey of Oklahoma and Taylor of Oregon. Thus there is a member from each zone.

The committee on unauthorized insurance reported that 22 states have so far adopted the uniform unauthorized insurers process act and that four states had previously adopted acts providing for service of process on unauthorized insurers. It was the consensus that the U. S. Supreme Court decision in the case of Virginia vs. Travelers Health makes it almost certain that such acts will be upheld. Several commissioners said that the acts have been used in their states and that almost uniformly the cases were settled out of court. All commissioners, the committee said, should take steps to see that this legislation is presented in their states.

#### Classification Codes

A subcommittee consisting of New York, Illinois and California with New York as chairman was appointed to consider the matter of establishing separate classification codes for fire and allied lines in connection with multiple location business written under forms 1, 5, 4 and class floaters; insurance written under deductibles and catastrophe and excess of loss coverages. The committee heard Joseph H. Finnegan of National Board on these proposals. He said that the board would be able to report to N.A.I.C. in December.

The committee reported that it heard T. D. McCarl of Multiple Location Service Office on proposed amendments to the M.L.S.O. plan. Mr. McCarl stated that these proposed amendments were being filed in those states in which the so-called "independent" plan had been filed and approved. Mr. McCarl in answer to questions expressed the belief that local rating bureaus would not file the proposed amendments in those states where the independent plan had not been filed and approved.

"This committee," the report stated, "is unalterably opposed in principle to the proposal of different M.L.S.O. rating plans in different jurisdictions on a basis of competitive expediency."

#### Look into Minimum Premiums

A subcommittee consisting of New York, chairman, Illinois and California was appointed to look into the propriety and correctness of minimum premiums contained in fire and allied lines, inland marine and casualty rate filings. This matter was put forward by zone 4.

The committee recommended that the various states beginning Jan. 1, 1952, adopt proposals of National Board that a new major peril code 26 for the new additional extended coverage endorsement be set up; that there be discontinued the present classifications of extended coverage losses by cause and that there be discontinued the full breakdown of the classification of extended coverage time element insurance.

The workmen's compensation committee referred to a subcommittee the recommendation that the W.C. committee cooperate with the "industry" in attempting to attain operating economies in connection with small workmen's compensation insurance policies. Day of Illinois is chairman of this subcommittee.

Everett Schmenk has sold a part interest in his agency at Ottawa, O., to Robert A. Fawcett. The agency will be known as Schmenk-Fawcett.

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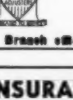
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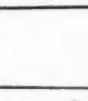
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## CASUALTY INSURANCE NEWS

### H. G. Kemper, Pier Comprised New Excess Top Team

Hathaway G. Kemper of Chicago, who is president of Lumbermen's Mutual Casualty and the other Kemper insurers, has been elected president and treasurer of Excess of America and Mortimer D. Pier was named executive vice-president. Mr. Kemper succeeds William J. Constable.

S. H. Kelly has been elected a vice-president, Roy S. O'Connor, secretary, and J. B. Harris, Jr., assistant treasurer.

Mr. Pier graduated at University of California and started with Lumbermen's Mutual Casualty at Los Angeles. His father was with L.M.C. at that place. He was later transferred to Chicago and in 1935 went with Excess. He was secretary when he went into the army in 1941. Upon his return in 1948 he became vice-president and secretary.

Mr. Kelly has been with Excess since 1936, most recently as secretary and manager of the claim department. Mr. O'Connor went with Excess in 1940 in the underwriting department after having been with Compensation Rating Board for many years. Mr. Harris has been with Excess since 1940 in the accounting department.

### Jess to American Plan Corp.

American Plan Corp. has elected Everett M. Jess secretary. Mr. Jess has had wide experience in both insurance and in advertising in agency and home office posts. He started in insurance as adjuster at Philadelphia for General Accident and later was special agent in Connecticut for Glens Falls Indemnity and in New Jersey for Aetna Casualty. Recently he has been an officer

of Resolute of Hartford in charge of advertising and public relations.

American Plan Corp. is United States automobile manager for American Fidelity Fire and American Fidelity & Casualty.

### Slininger to United Pacific

Carl Slininger has been appointed assistant vice-president of United Pacific in charge of fidelity and surety operations in California, Nevada and Arizona. He has been for several years assistant vice-president of Pacific Indemnity and assistant manager of the home office bond department.

### Colyer Joins Indemnity

Donald H. Colyer has joined Indemnity of North America as manager of its fidelity-surety underwriting departments. He has been with Royal-Liverpool. With that organization he was resident vice-president and for six years manager of the New York metropolitan bonding department. He started with Fidelity & Deposit and also has seen service with Travelers Indemnity at Newark. He is a navy veteran.

### Baeder Goes with Hitke

Kurt Hitke & Co. of Chicago has hired Charles G. Baeder as underwriter in the workmen's compensation and public liability department. Mr. Baeder started with Zurich at Chicago and was with that company as an underwriter for 15 years. He opened the branch office in Chicago for Bituminous Casualty. Most recently he has been with Martin Boyer & Co. in Chicago.

### Names Two at New York

Kenneth Speckhardt has been named claim representative and W. J. Shay,

claim examiner at New York for Standard Accident. Mr. Speckhardt has been with Zurich and Lumbermen's Mutual and Mr. Shay with Loyalty group.

### Lloyd Cincinnati Head

CINCINNATI — Robert F. Lloyd of Hartford A. & I. was elected president of Assn. of Casualty & Surety Managers at the annual meeting at Cloverbrook Country club.

Harry B. Hupp of U. S. F. & G. is vice-president, and Frank C. Henry, Travelers Indemnity, is secretary. Walter P. Fisher, Standard Accident, was made a member of the executive committee on which Gordon J. Burrer, Travelers manager, will continue to serve.

### Two Big Contracts Awarded

Maco Co., Los Angeles, and Puget Sound Bridge & Dredging Co., Seattle, jointly have been awarded the contract at \$7,169,000 for construction of dam 22 at Denver. Fidelity & Deposit wrote the bonds, with other carriers participating.

H. R. Nicholson, James L. Ferry, and N. P. Van Valkenburgh, all of Pasadena, jointly have been awarded the contract by the navy for construction of 210 family housing units at the naval ordnance test station at Inyokern, Cal., at \$2,731,200. U.S.F.&G. for Ferry and Hartford Accident for Nicholson and Van Valkenburgh have executed the payment and performance bonds.

### N. J. Association Votes

Casualty Underwriters Assn. of New Jersey at its annual meeting at Newark Wednesday was scheduled to vote on this slate of officers: President, P. A. S. Rogers, U. S. F. & G.; vice-president, Ralph W. Hawkins, New Amsterdam Casualty; treasurer, Nelson Patchett, Car & General, and secretary, John Ward, Royal-Liverpool.

### Pa. Administration Bill Ups W. C. Benefit Scale

HARRISBURG—With the backing of the governor and the Republican majority in the legislature there has been introduced in the Pennsylvania legislature a bill increasing workmen's compensation and O. D. scales from the present \$12.50—\$25 to a new \$20—\$30 minimum and maximum and removing the 500-week limit on payments for total disability, increasing from \$5,000 to \$6,500 the total disability payments for silicosis, anthraco-silicosis or asbestosis. There is a bill in the senate designating diseases of the heart and tuberculosis of the respiratory system as occupational diseases when contracted by firemen or policemen.

### Ontario Adjusters Elect

David M. McClean, of General Accident, has been elected president of Ontario Adjusters' Assn. Vice-president is Fred Cox, Shaw & Begg; secretary, Charles W. Rice, Maryland Casualty, and treasurer, David C. Miller.

### C.T.D. Johnson Advanced

Clifford T. D. Johnson has been appointed assistant chief payroll auditor of Standard Accident. He started in 1942 as payroll auditor in Michigan and northern Ohio, transferred to Los Angeles in 1946 and later that year returned to Detroit.

### Borough President N. Y. Speaker

James J. Lyons, Bronx borough president, gave Surety Underwriters' Assn. of the City of New York at its monthly meeting an inside view of the city's administration.

San Antonio Claim Men's Assn. heard Dr. Oliver Venable discuss disc operations.

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## CASUALTY INSURANCE NEWS

### Industrial Injury Rates Lower in '50, Safety Council Says

American workers were a lot safer in 1950, National Safety Council reports. Industrial injury rates for last year, released by the council in advance of the 1951 edition of its annual statistical yearbook, "Accident Facts," show a substantial reduction in both the frequency and severity of 1950 accidents as compared with 1949.

Of the 40 basic industry classifications, 29 reduced their frequency rates, and 23 reduced severity rates. The accident frequency rate for employees in all industries submitting company reports to the council, based on the number of disabling injuries per 1 million man-hours, was 9.3 in 1950—a reduction of 8% from the year before.

The communications industry again

had the lowest employee frequency rate, 2.05—a 4% reduction from 1949. Aircraft manufacturing again ranked second with 4.17, followed by the electrical equipment with 4.28 and steel with 4.63.

Lumbering stayed at the bottom of the frequency list in 1950 with a 46.85 rate, but this represented a 2% reduction. The frequency of coal mining accidents went up 5% and that industry remained in the next to last position with a 43.64 rate. Mining other than coal was third from the bottom, just below clay products.

The accident severity rate for all industries reporting to the council, based on the number of days lost per 1,000 man-hours was .94 last year—a reduction of 8% from 1949.

Communications also had the lowest severity rate, with .12—a 20% drop. Coal mining again was at the bottom of the list with 7.91—a 16% increase.

Robert Marchbank has joined New Amsterdam Casualty at Denver as pay-

roll auditor and inspector. He was formerly with Standart, Main & Brewster, Denver general agents.

### N. Y. Fund Advance Discount Cut

On July 1 the New York state fund will reduce its advance discount on workmen's compensation general classes from 25 to 20% and on all special groups from 15 to 10%. The fund has reduced rates on disability benefits coverage, the male rate from 80 to 64 cents and female from \$1.10 to \$1 per \$100 of payroll.

### Correct Continental Ohio Total

In the table setting forth the 1950 casualty experience in Ohio, the A. & H. direct writings of Continental Casualty were incorrectly shown. Continental had direct A. & H. writings of \$2,046,075 in that state in 1950.

Robert L. Moore, who has been senior engineer for the construction section of National Safety Council, has become engineering consultant for the Kemper companies at Chicago.

### Brewster Tells How Economic Trends Affect Auto Rates

The influence of economic trends and standards of living on automobile liability rates was stressed by William H. Brewster, manager automobile division of National Bureau of Casualty Underwriters, in an address this week at University of Massachusetts, Amherst.

After reviewing in some detail the bases and methods of making rates, including the factors which enter into the calculation of the pure premium and expense loadings, he took up particularly the current situation.

He said that at the beginning of 1951, when the rate revision for this year was taken up, company men were deeply concerned over the continued adverse loss ratios developed by automobile liability business throughout 1950. Since the war claim costs have increased, due for the most part to the upward spiral of inflation.

### Effect of Economic Factors

"Automobile liability insurance rates are directly affected by our devalued dollar, increasing wage levels, higher material costs, substantially higher medical costs, excessive court verdicts and our generally higher standards of living," he said. "For these important reasons it has been necessary to supplement the normal rate-making procedures based upon policy year experience by the use of current cost factors developed upon the basis of up-to-date calendar year experience reported by the companies. Inasmuch as we are now calculating rates which will apply to 1951 and 1952 business it is reasonable, insofar as possible, to take into consideration the most recent trends brought about by our economy. State supervising authorities share with insurance companies and rating organizations the responsibility of establishing rates which are adequate to assure the financial stability of the companies which must meet fully their obligations to policyholders."

He explained the reasons for the delay this year in the issuance of the Massachusetts property damage manual, which the bureau has published ever since the enactment of the compulsory law in 1927, and said steps were being taken to assure its being sent out earlier hereafter.

### Younger Driver Situation

Taking up the question of higher rates for operators under 25, he said that in the years since the war the bureau has obtained from the state motor vehicle departments in Massachusetts, Connecticut, New York, Wisconsin, Mississippi and Virginia statistics which indicate definitely that automobile operators under age 25 are involved in far more than their share of accidents. Before another year passes it expects to have classification experience which will show whether the present rate levels for the three private passenger classes are correct and whether the present surcharge applicable to youthful operators is adequate. It is hoped that as more public schools afford driver training courses (only one-third of the schools now afford such instruction) the accident record of youthful operators will improve to such an extent that it will be possible to reflect the improved record in lower rates. At the present time, however, he said it appears that such operators, though quick in their reactions as automobile drivers, possess a tendency to take chances and to fail in the exercise of ordinary consideration for others on the streets and highways.

Local agents, by reason of their close contacts with car owners, Mr. Brewster said, are in an excellent position to assist in constructive efforts to realize a solution of the serious automobile accident problem. With more and more automobiles being operated on our highways which are not adequate for today's

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#### WANTED

Experienced casualty insurance adjuster. Opportunity to make connection with expanding insurance organization. Only experienced men need apply. Address F-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., stating qualifications and salary desired.

### NEBRASKA STATE AGENT

Prefer man with knowledge of state. Age 30-40. Wanted by one of first fire companies to provide multiple line facilities. Excellent opportunity. Give qualifications and salary expected. All replies held confidential. Address F-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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heavy traffic conditions, it is necessary that agents in their own communities exercise their influence to further careful driving. He cited practices which should be encouraged and others that should be discouraged.

## 2d Injury Fund Is Put to New Use in Rhode Island

Beginning July 1, workmen's compensation insurers will resume payment of compensation to Rhode Island total disability claimants whose injury occurred on or after Jan. 1, 1940, and who subsequently exhausted all normal compensation.

The insurers will be reimbursed on a quarterly basis from the state's second injury fund. The fund was financed by a 1% tax on premiums.

There was hardly any demand on the fund, with the result that the balance has risen to more than \$500,000.

The 1951 legislature passed a law authorizing use of the balance to resume compensation payments for an indeterminate period to totally disabled workers injured since 1940 who have used up all normal compensation allowances. Exempt from the law's benefits are totally disabled workers who accepted lump sum settlements.

Meanwhile, the tax on insurance carriers for the second injury fund is suspended until the balance sinks to \$100,000, when they will pay a tax of one-half percent of premiums.

The new law was explained this week to Providence Casualty Claim Managers Assn. by Edward I. Friedman, chief of the division of workmen's compensation the state department of labor. Friedman read a letter from Raymond Caverly, of Fidelity & Casualty advising that the purpose of compensation programs is to give speedy financial help to injured workers, and that "misguided zealotry" in contesting claims for inconsequential reasons is a disservice to the worker and to the industry.

## Modernization Effected

The miscellaneous section and the license and permit section of the rate manual of Surety Assn. have been revised and brought up to date, effective June 11. Thus the program to modernize the manual is now complete, with the exception of the federal rate schedule pages which will be available soon.

The revised sections present a rearrangement in style for easier reading, and certain rules have been clarified and classification code numbers shown for all rates.

In both the miscellaneous and the license and permit sections, "scope of coverage" has been added in order to indicate the character and extent of bonds rated in compliance with the rating law. A new index has been provided for the miscellaneous section, thereby greatly facilitating quick reference to both coverage and rates, and section pages have been renumbered in accordance with the same principle of simplification.

## Hartford Men Promoted

The George B. Fisher local agency of Hartford has filled vacancies caused by the death of Tom W. Brown, vice-president and treasurer.

Paul Rutherford, Jr., formerly secretary, was elected vice-president and treasurer, and John B. Crosson was named secretary. Mr. Rutherford has been with the agency since 1946. Before that he was Philadelphia manager of Connecticut Mutual Life. His father is president of Hartford Accident.

Formerly a field representative of Aetna Casualty, Mr. Crosson joined the Fisher concern in 1950.

## Outing for Hartford's Employees

Hartford Fire and Hartford Accident gave an outing this week for their 1,700 employees. The program included luncheon and a steak dinner, golfing, swimming, tennis and baseball.

## Medical Body To Rest on Oars

Dr. Elmer L. Henderson in his presidential message at the convention of American Medical Assn. at Atlantic City asserted that the threat of a compulsory national health insurance plan has now evaporated, "at least temporarily." He said that A. M. A. could now relax its fight against this program and that its intensive campaign against compulsory health insurance will come to an end this year. Such a termination was counseled by Glen Whitaker and Leon Baxter, the Chicago publicity organization that spearheaded the battle.

## CONFERENCE PLANNED

WASHINGTON — Simultaneously with the announcement that American Medical Assn. is suspending its public relations campaign against compulsory national health insurance, Senator Lehman, New York, chairman health subcommittee, stated "informal and staff level" discussions by the committee had been held with A.M.A. staff representatives at Chicago last week.

Lehman said the purpose was to solicit technological and staff assistance of A.M.A. in gathering data the health committee wants "as a basis for consideration of possible legislation in the health field" at this session of Congress. Previous meetings had been held with other health field experts.

The A.M.A. staff said they would help supply factual data on availability of medical and health personnel and facilities in critical defense areas, special

medical rate for servicemen's dependents, and coordination of hospital facilities.

## New York Compensation Rates Increased 13.5%

Superintendent Bohlinger of New York has approved revised workmen's compensation rates filed by Compensation Insurance Rating Board, effective July 1. The revision amounts to an increase of 13.5% in manual rates for all classifications. Existing differentials between the various rate classifications continue unchanged.

This revision is based upon a consideration of the experience for policies written between July 1, 1948 and June 30, 1949, which expired prior to July 1, 1950, and which indicated the necessity of an increase over the present rate level. In addition, the new rates partially reflect the experience for calendar year 1950, which indicated the need for a further increase.

## Neb. Bankers Clinic

The Thursday afternoon session of the clinic being held by Nebraska Bankers Assn. at Doane college, Crete, this week, is devoted to bonds and insurance coverages for banks and all forms of insurance from an agents viewpoint. James F. Keating, secretary of Hartford Accident, and Dr. Curtis M. Elliott, professor of insurance of University of Nebraska, will speak.

Citizens Casualty has been licensed in California with Kurt Hitke of Los Angeles as agent of record.

## Changes Made in State Farm

In honor of the memory of the late G. J. Mecherle, founder of the State Farm organization, the directors of State Farm Mutual Automobile have voted to hold vacant the office of chairman of the board for the remainder of the term for which Mr. Mecherle was last elected. Edward B. Rust and H. E. Curry were elected vice-presidents.

Mr. Rust has been assistant secretary-treasurer and director of branch offices. He has been with State Farm since 1941. His father is Adlai Rust, who was re-elected executive vice-president of State Farm Mutual and who has now been elected chairman of State Farm Life and of State Farm Fire & Casualty formerly having been president.

Mr. Curry has been actuary of State Farm Mutual since 1945.

Adlai Rust continues to hold the office of treasurer of State Farm Life. Morris G. Fuller, formerly executive vice-president, was advanced to president.

T. F. Campbell, formerly secretary, who has directed the operations of the fire company for many years, was elected president. H. L. Mecherle was elected secretary to the board, and Roy C. Thoele was appointed secretary. H. L. Mecherle was elected to the unexpired term of G. J. Mecherle on the board.

Paul L. Mitzner, assistant director of personnel, has been named personnel director of all three companies.

The Exline agency at Bloomington, O., has been sold to the Korn agency of Washington Courthouse.



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## EDITORIAL COMMENT

## A Good Time to Do Some Firing

This is a good time to fire people, as well as hire them.

Management's philosophy, by and large, is generous and hopeful when it is concerned with those policies and plans that involve personnel. It is so thoroughly positive, there is hardly room in it for so negative an item as "Get rid of J. Y. B."

In selecting new employees, in devising schemes for employee development, in seasoning and moving along key men, management has at heart its ambitions for the future of the organization. Discharging an employee, especially one in a key post, is a tough job. Everyone has now pretty much given up on J. Y. B. Yet some of the hopes of management, for itself and the company, have at one time rested on this individual.

It is only humanitarian to fire a misfit in plumb times, when it is easy for him to get something else. Who knows, he may catch on, now that he has to make a change, and do far better than he has. If management waits until jobs are scarce, simply because it was reluctant to do what it knew inevitably it must do some time, the score stands against management.

The man who must do the firing but does not, in good times can assuage the conscience he feels in the region of his responsibility to his firm. Men

are hard to get; after all, J. Y. B. is of some use and where would we go to replace him; anyway, it is no trouble for the company to carry him in days of plenty of business. Of course he doesn't like to fire him.

For the man and the organization it would be far better to fire him. The severance should be planned. Have a practical program for redistributing his work. Get someone else to do it, if that is necessary. Then the employee to be discharged has ample time to look around. The date of severance should be fixed and firmly maintained. The explanation can be reasonable and friendly—his future with the firm is limited, it is not fair to him or the firm not to say so, he can have two months to look around.

A disaffected person exerts a very negative influence on other employees in an organization. The presence of several persons who aren't going anywhere, who are not making at least the routine advances, is bad for the entire staff. They constitute one of the really serious hidden taxes on company effort and progress.

Beyond more immediate considerations, there is the really satisfying thought that both the firm and the man were treated with maximum possible fairness, which could add to the comfort with which each sleeps thereafter.

## Controlling the Roamers

Legislation is being advocated in some states to control the appetite and design of operators of domestic companies who roam the country on an unlicensed basis to pick up undesirable risks under surplus line laws. Particular attention is being given by some insurance commissioners to mutual companies that are being used for this purpose. In some states there are numerous charters of mutual companies that have been more or less dormant and that can be picked up for a song and used as a vehicle for some bold underwriting practices on the part of insurance enterprisers that are skilled at operating on the other fellow's funds. What the commissioner fears here is that when a mutual company that is used in this way collapses, it will be virtually impossible to collect assessments from policyholders in the foreign states and the domestic policyholders will be holding the bag. The undesirability of the risk is apparent where companies, licensed in another state, must refuse it before the excess broker may

place it in a company outside that state which apparently lacks the financial requirements for a license in that state.

Usually the manager or general agent, who in reality accepts or rejects risks for the company, receives the commission upon business written by the company. It is important to prevent abuses from developing under this surplus line situation. Unless a close guard is maintained evils can develop that could make mockery of state supervision and bring down on state supervisors the mighty wrath of bamboozled policyholders.

Surplus line laws were set up, of course, with the London Lloyds situation primarily in mind. That framework, however, has offered some intriguing possibilities to the slippery type of underwriting gent. Above all else, state supervision has got to be on its guard against practices and conditions leading to insolvency whether these be aggressive schemes bordering on the fraudulent or helplessness and dumbness in the face of external circumstances.

## PERSONAL SIDE OF THE BUSINESS

Some 600 friends gathered at Hinsdale Golf Club, Hinsdale, Ill., Monday evening to greet Wade



Wade Fetzter

Fetzter, chairman of W. A. Alexander & Co., Chicago, and Mrs. Fetzter, on their 50th wedding anniversary. Both Mr. and Mrs. Fetzter stood up well under the physical exertion of greeting so many persons over a three-hour period because of the warmth of their affection for the entire group.

Frank Christensen, president of the America Fore companies, and Mrs. Christensen, flew from New York Monday afternoon to attend, and they were accompanied by E. A. Henne, vice-president and western manager of America Fore, and Mrs. Henne. Mr. Fetzter is a director of the America Fore companies and years ago served as president of Fidelity & Casualty, as well as carrying on the administration of W. A. Alexander & Co. About 100 members of the Alexander organization were present for the reception.

There was a warm-up gathering of the Fetzter family Sunday which numbered 28 children, grandchildren and great-grandchildren. Later that day John H. Sherman, head of the life department of W. A. Alexander, and son-in-law of Mr. and Mrs. Fetzter, was taken to Hinsdale Sanitarium for an emergency appendectomy. He is making a normal recovery.

Harry B. Hershey, former Illinois director of insurance, has been elected to the Illinois supreme court from the second district. His home is at Taylorville, Ill. Mr. Hershey, a Democrat, unseated the Republican incumbent by a very narrow margin.

M. J. Harrison, former Arkansas commissioner and now prominent insurance attorney of Little Rock, missed his first insurance commissioners' meeting in many years. His daughter, Mrs. Mildred Calhoun of Little Rock had just made him a grandfather for the first time.

Ray Parker, head of Parker-Allston Associates, the insurance advertising agency, is serving on the New York grand jury which is investigating the tax assessment scandal there.

Charles D. Shea, New York state department examiner of Hartford Fire, this week celebrated his 50th anniversary with the organization. He was greeted by President C. S. Kremer, other company officials and associates. He received an engraved wrist watch and many other gifts and was guest of honor at a dinner. He has served under four presidents of Hartford Fire—George L. Case, Charles E. Case, Richard M. Bissell and C. S. Kremer.

Walter L. Hays of Orlando, Fla., president of American Fire & Casualty and president of National Assn. of Independent Insurers, received the honorary degree of doctor of commercial science at the commencement exercises of John B. Stetson University, DeLand,

Fla. Mr. Hays' commencement address at Stetson last year, "What Made America Great," received the second highest national award and the Freedoms Foundation Honor Medal. He presented the \$300 cash award from Freedoms Foundation to the Stetson students winning first and second place for their addresses on "Free Enterprise and the American Way of Life."

Wheaton A. Williams, president of the Fred L. Gray Co., Minneapolis, thought he had everything in shipshape so he could take a couple of weeks off to have his gall bladder removed. He was disillusioned when the Saturday following the decided date, Fred L. Gray's executive vice-president, G. B. Stephenson, suffered multiple fractures of the wrist. Nevertheless, Mr. Williams went ahead with his plan. Both Mr. Williams and Mr. Stephenson are making good progress toward recovery.

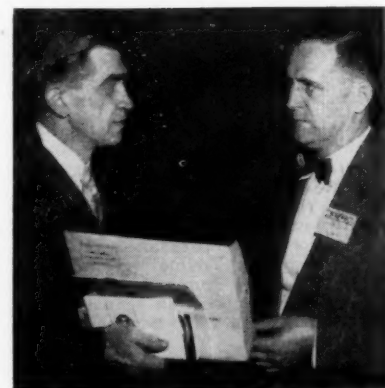
Charles H. Smith, vice-president and western manager of Hartford Fire, returned to his home Monday after having been hospitalized for a month. Mr. Smith became ill in the office and due to a previous record of a heart ailment, his doctor exercised the precaution of holding him in the hospital as long as he did. Mr. Smith expects to be able to return to the office for short periods in about two weeks. James C. Hullett, vice-president from the home office, was in Chicago for three days last week and had an opportunity to visit Mr. Smith.

D. W. Dickinson, engineer for Hartford Accident at Bridgeport, Conn., has been recalled to duty with the air force as a captain. He has been with Hartford since 1948.

Clark R. Veatch, president of Butte (Mont.) Assn. of Insurance Agents, is in a hospital at Twins Falls, Ida., recovering from a leg fracture sustained in a fall while on a vacation trip.

A. B. Jackson, president of St. Paul F. & M. has been reelected vice-chairman of the board of Macalester college at St. Paul.

E. Paul Heimer, assistant superintendent in the purchasing and supply department of the Aetna Life companies, has passed his 45th anniversary with the organization.



Thomas Carlson of National Bureau of Casualty Underwriters with Tyler Nelson of Illinois insurance department at N.A.I.C. meeting.

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## DEATHS

**HARRY BERNARD FOX**, who retired from active duty as engineer for Factory Insurance Assn. at Detroit last year, died in Women's hospital, Detroit, at the age of 69. In his younger days he was engaged in sprinkler installation work in Brazil and he went with F.I.A. in 1911. He became intimately acquainted with Michigan industry and developed into one of the leading fire insurance engineers in the middlewest. He is credited by the F.I.A. management with having trained more young men in the workings of fire protection and fire prevention than any other person in the middlewest.

**MAITLAND H. COOPER**, veteran insurance engineer, died in Xavier hospital at Dubuque, Ia., after an illness of several months. Mr. Cooper, who was 52, was graduated in fire protection engineering from Armour Institute in 1924 and served with Illinois Inspection Bureau at Chicago, Peoria and Rockford. After the death of his father, the late Ben C. Cooper, local agent at Ottawa, Ill., he became a local agent for nine years at Ottawa. During the last war he was safety engineer in a war plant and then became an inspector in the engineering department of American Automobile at Philadelphia. He had since 1948 been safety engineer for General Electric at Richland, Wash.

**EUGENE M. CLENNON**, head of the surety claim department of Massachusetts Bonding, died at the age of 62.

**JOHN M. HUGHES**, 86, special agent of Hartford Fire in the New York and Newark territories, died at his home at Montclair. He worked out of the New York City area for many years before going to the northern New Jersey territory when the Newark office was opened in 1935. He had been retired five years.

**LAWRENCE E. SHULTZ**, 53, an adjuster for Home, died at Richmond, Va.

**FRED S. SLAGLE**, 59, state agent in Missouri for Automobile and Standard Fire, died at Kansas City. He joined the companies in 1924 and served at Chicago and Topeka before being transferred to Kansas City as state agent in 1929.

**HENRY L. MAURY**, 79, dean of Louisville adjusters, died there following a long illness. Years ago he was with the old Southern Adjustment Co., later with the John H. Harrison office and still later with W. A. Hadley & Co. He was also in business for himself for a time.

**ARTHUR F. WELLING**, 62, general agent for Federal Life & Casualty at Los Angeles, died there. He had been associated in the insurance business 40 years.

**MRS. R. F. CHEEK**, 70, of Asheboro, N. C., mother of Commissioner Waldo C. Cheek, died in an Asheboro hospital.

**H. C. ISHMAEL**, 57, an insurance man for more than 30 years, and with Inter-Ocean at Covington, Ky., since 1942, was killed when a L. & N. Railroad train struck the car in which he was riding near Covington.

**C. B. ERSKINE**, Cimarron, Kan., local agent since 1913, former member of the executive committee of Kansas Assn. of Insurance Agents, died unexpectedly at Oklahoma City.

**CHARLES WOODWARD**, 68, veteran local agent of Niagara Falls, N. Y., died after a long illness. He had retired Jan. 1 as president of the Woodward agency, which he founded in 1906.

**WILLIAM F. KURTH**, 79, veteran Milwaukee local agent, died at his home after a long illness. He was active for 55 years before his retirement several years ago.

**JOHN H. SIESENNOP**, 76, retired local agent of Merrill, Wis., died of a skull fracture resulting from a fall.

**MISS NELL T. MOONEY**, 68, long with the D. Cliffe Stone agency, Nashville, died following a heart attack.

**AMOS A. BELSLEY**, 72, local agent at Wellington, Kan., from 1909 to 1933 when he was appointed postmaster, died there following a lingering illness. Since retiring as postmaster in 1948 he had returned to insurance on a part-time basis. He was prominent in politics and in Masonic and Rotary affairs.

## Several Insurers Cut Writings Sharply in N. Y. C.

**NEW YORK**—This is a good time for those companies, notably fire insurers that are getting into the casualty field, to pick up a lot of accounts in New York City. Several insurers are jettisoning business in the metropolitan area and are doing it rather drastically. This is casualty business. In the New York City area, which provides from 15 to 30% of many companies' total writings, slashes of this degree represent a lot of business.

Presumably these insurers are interested chiefly in getting away from the automobile liability bodily injury and property damage coverages, though for some insurers O. L. & T. and other general liability lines have been growing more and more unprofitable.

### Doubt Increases Are Enough

There is an implied lack of confidence that the emergency rate increases of 20% on B. I. and 10% on P. D. that go into effect July 1 will be adequate to meet claim costs on auto liability. It takes time and money to build a volume of premiums in the highly competitive metropolitan market, and it is apparent that company management realizes that when it reduces from a third to a half its producer accounts, not premium volume alone, in a territory like New York, it expects to operate on a reduced basis there for a good while.

For that is what is happening. Several large casualty mutuals and more than one stock casualty insurer have cutting programs underway or completed. One large direct writing mutual is reported to have reduced its commitments in metropolitan New York by one third.

### Cancels 50 to 100

Another direct writing mutual that has brokerage arrangements here is said to have cancelled 50 to 100 such accounts and plans to cancel more. One large stock casualty company is reported to be halving its metropolitan writings.

The demise of Preferred Accident eliminated one fairly large outlet for New York City business. That company was always a fairly heavy writer in the metropolitan sector.

Producers are scrambling around to line up new outlets. These are busy and trying days for them. Even where an entire account has not been cast adrift, it is apparent that producers may have to use their entire account, including fire business, in order to sell a new insurer on accommodating the liability lines.

### Large Companies to Get Larger

The business is likely to wind up with the larger insurers that are financially in a position to endure temporary losses on the theory they will have a chance to make a profit when experience improves. Fire companies now ready to write casualty undoubtedly will get some of it. But unquestionably out of conditions of this kind the large insurer grows larger. It was the larger insurers who accommodated business orphaned during the bad experience that followed the second war.

With two experiences like this in less than 10 years, producers are well aware of the value of a firm and steady underwriting policy on the part of the insurers they represent—a policy, incidentally, that is followed by a number of well managed companies, of all sizes. Perhaps one of these days there will arise a demand for a non-cancellable production contract.

### Replacement Cover Broadened

Commissioner Sullivan of Washington has approved the writing of replacement insurance on "personal property consisting only of machinery and equipment permanently installed and essential

to the operation of the risk." Heretofore, such insurance was confined to "real" property.

The change will enable industrial and manufacturing plants, principally, to insure processing equipment which heretofore could not be covered for replacement value.

### Asks Cumulative Accident Tax

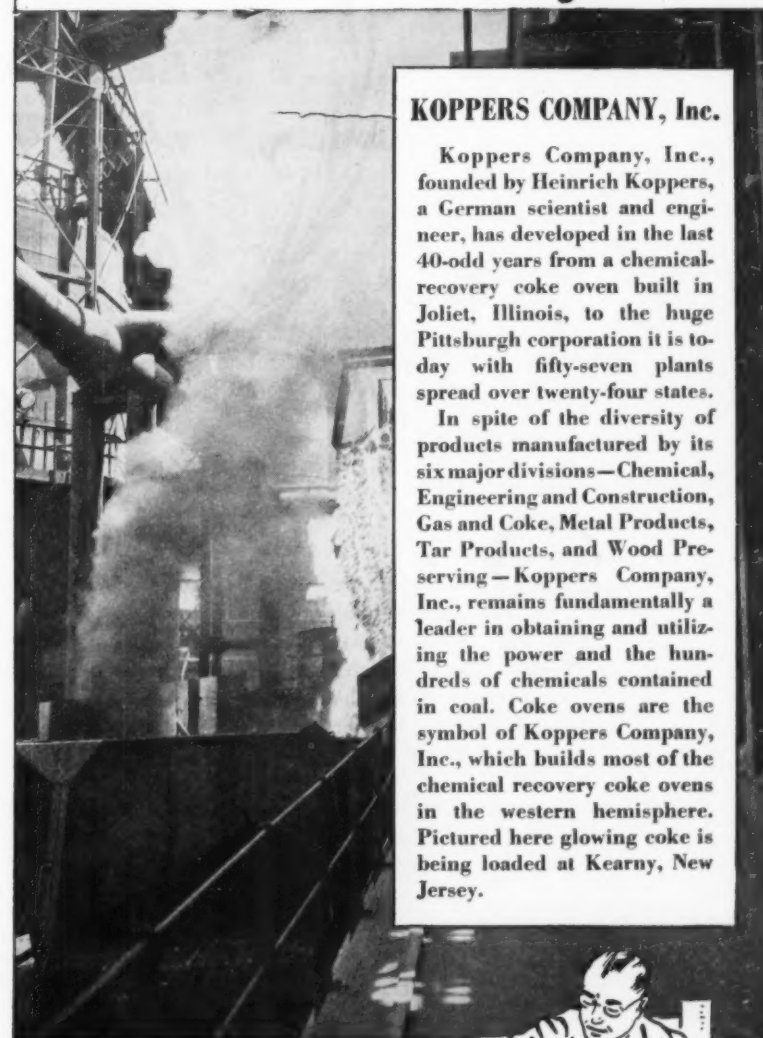
A new plan to reduce highway accidents and deaths was suggested by Raymond E. Jensen, vice-chairman Wisconsin highway commission, at the con-

vention of the Wisconsin County Highway Commissioners' and County Highway Committee Members' associations at Rhinelander.

His solution is to impose a tax on a motorist of \$25 for his first accident involving more than \$50 in property damage or serious personal injury, and to "increase the rate so high that he could no longer afford to hold a driver's license," for subsequent accidents.

He believes such a system would bring in \$1 million a year at Wisconsin's present rate of 40,000 traffic mishaps annually.

## Highlights of 50 Years



### KOPPERS COMPANY, Inc.

Koppers Company, Inc., founded by Heinrich Koppers, a German scientist and engineer, has developed in the last 40-odd years from a chemical-recovery coke oven built in Joliet, Illinois, to the huge Pittsburgh corporation it is today with fifty-seven plants spread over twenty-four states.

In spite of the diversity of products manufactured by its six major divisions—Chemical, Engineering and Construction, Gas and Coke, Metal Products, Tar Products, and Wood Preserving—Koppers Company, Inc., remains fundamentally a leader in obtaining and utilizing the power and the hundreds of chemicals contained in coal. Coke ovens are the symbol of Koppers Company, Inc., which builds most of the chemical recovery coke ovens in the western hemisphere. Pictured here glowing coke is being loaded at Kearny, New Jersey.



The insurance industry has long played an important role in the development of commercial, industrial, and cultural America . . . through providing vast sums of money for research and expansion and by furnishing the basic insurance protection which progress demands.

*National Union*  
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## Auto Liability Rates Increased in Several States

### New Schedules for Michigan and Oregon Announced

National Bureau of Casualty Underwriters has announced new automobile liability rates for Michigan, with increases in B.I. and P.D. rates for all classifications of private passenger automobiles and P.D. increases for commercial vehicles but no changes in B.I. rates for that class. The new schedule has been approved by the Michigan department.

For automobile liability rating purposes, Michigan is divided into 10 "territories." The rates for territory 1 Detroit and vicinity; territory 4, Grand Rapids and vicinity; territory 10, remainder of state territory, Class 1, car for non-business use and no operator under 25, are: Territory 1, \$36, increase \$8; 4, \$30, increase \$4; 10, \$24, increase \$5.

### Rates for Other Classes

Class 2, car for both business and non-business use and with an operator under age 25: Territory 1, \$58, increase \$11.50; 4, \$49, increase \$8.50; 10, \$40, increase \$8.50; class 3, car individually owned, for business and non-business use, and no operator under age 25; also cars owned by corporations, copartnerships and unincorporated associations, regardless of age of operator; Territory 1, \$50, increase \$9.50; 4, \$43, increase \$8; 10, \$34, increase \$6.50.

Commercial vehicles, Class 5CA: Territory 1, \$63, increase \$2; 4, \$47, increase \$2; 10, \$36, increase \$1; class 4CA, territory 1, \$75, increase \$3; 4, \$55, increase \$2; 10, \$44, increase \$2.

The bureau says that according to reports from the Michigan state police 1,607 persons were killed in automobile accidents in 1950 as compared with 1,441 in 1949, an increase of 12%, and 45,734 injured compared with 41,647, an increase of 10%. There were 161,750 automobile accidents in Michigan in 1950 compared with 143,197 in 1949, an increase of 13%. Claim frequencies and average claim costs experienced by the companies have increased substantially as the result of these conditions.

### INDEPENDENTS TO CONFER

LANSING, MICH. — Michigan automobile carriers, members of Michigan Bureau of Casualty Companies, have scheduled a meeting here June 18 at which it is presumed the rate situation will be reviewed in the light of the newly announced increase in rates by National Bureau.

Most of the Michigan carriers increased their liability rates an average of about 10% in February, with one or two members of the state bureau filing deviations. It is presumed here that considerable pressure now will be exerted to make a further upward adjustment in schedules.

### Announcement Widely Publicized

Wide publicity in the daily press throughout the state was given to the announcement of the National Bureau's increase. Agents, while far from pleased by the new schedules, conceded that the companies were perfectly justified and

(CONTINUED ON PAGE 29)

## Other Liability, B. I. and P. D. Goes Way of Auto

### O. L. & T. Rate Increases Already Regarded as Inadequate

NEW YORK—Bodily injury liability and property damage other than automobile are undergoing the same deterioration as to loss experience as automobile B. I. and P. D., according to underwriters, though the chief concern has been with the automobile lines because of the much larger premium volume that they produce, \$773,603,725 for stock companies entered in New York in 1950 against \$207,745,179.

However, on 1950 experience of this particular group of companies, the total dollar underwriting loss on automobile B. I. and P. D. was \$11,038,709 and for the B. I. and P. D. other than auto was almost identical, \$10,997,576. Much has happened since the end of 1950, severity and frequency have rocketed on all liability lines. However, there are a couple of differences in the situation as respects these two major classifications, auto and non-auto.

### Increases Already Outdated

Increases are now in process of being put through for O. L. & T. These rate revisions are expected to be completed in another month or so, country across. Yet it is already apparent that the increases are inadequate. On the other hand, the automobile account is getting emergency treatment, and the trend factor is being injected into rating negotiations. Also, of course, the P. D. other than automobile cannot be considered with liability other than auto in the same way that the auto B. I. and P. D. are considered together. P. D. other than auto produces a small dollar volume, it is purchased to a considerable extent rather than being sold, and there is a high degree of anti-company selection. Those buy it who need it most.

Since the first of the year, according to underwriters, P. D. other than auto has been jolted heavily. Manufacturers and contractors have been the chief source of loss for primary insurers, and for the excess underwriters the utilities have had some losses that cut deeply into their segment of the liability. Several gas explosions have occurred that heavily involved the reinsurers, among other types of accidents.

### Speedup Increases Hazard

The speedup of activity in contracting, utilities, and other fields is considered partly responsible for the increased number of accidents resulting in property damage losses. Another factor is the increased limits carried by those purchasing this class of insurance in recent years. This line used to be sold pretty generally in amounts of 1/10 (the \$10,000 being the aggregate limit) but today 50/100, 250/500 and higher are not uncommon. One underwriter turned down a recent request for 5 million/5 million.

The base of the line is not broad enough to support several large losses. It is not widely sold, and the total premiums are inadequate. It is also considered by underwriters that the charges for high limits are not sufficient.

### O. L. & T. Big Offender

O. L. & T. has been one of the big offenders in the other liability field. Here it is entirely the B. I. portion of the insurance that has caused the trouble—the P. D. exposure is low. O. L. & T. has suffered from the same ailments as automobile and other B. I.—inflation, disposition of judges and juries to award big size verdicts, and

### PEANUT MONEY

## \$75,000 White Sox Concession Robbery Is "Fully Insured"

Burglars early Monday morning got away with a safe containing about \$75,400, the total taken in by concessionaires over the week-end at the Chicago White Sox ball park. According to Illinois Sports Service, concession manager, the loss is fully insured with Seaboard Surety. The line formerly was placed through Chicago Insurance Agency but it is understood that since last September it has been serviced by an agency in New York.

The burglars smashed through three doors, knocked out a section of concrete wall and used iron pipes as rollers to move the 2,600 pound safe an estimated 100 yards to a truck evidently parked outside.

The concession, which pays a percentage to the White Sox, employs no watchman. A watchman for the Sox was stationed in the ball club office about a half a block from where the safe was. He said he did not hear anything unusual.

The two American League leaders, the Sox and New York Yankees, drew record crowds for the games, accounting for the large amount of money in the safe. Except for \$600 in checks, the money was in small bills and \$12,000 in coins. Brink's was scheduled to pick up the money Monday afternoon.

### Get Traffic Institute Keys

The Traffic Institute of Northwestern University in a special ceremony honored J. S. Kemper, chairman, and H. G. Kemper, president Lumbermens Mutual Casualty; Pyke Johnson, president, and Norman Damon, vice-president of Automotive Safety Foundation, Washington, D. C. They were given diamond-studded Traffic Institute keys. These four men represent the two organizations which have been its principal financial supporters since the institute was established in 1936.

increased frequency. These factors when bound up against a fixed method of rating, area and frontage, that is not rising with inflation, have put the companies over the barrel.

Increased frequency of loss on O. L. & T. has come chiefly from overcrowding and failure to make repairs promptly and adequately. Hotels and apartment houses since the last war have been operating at or close to capacity, which increases the exposure tremendously as compared with the 1930s. Rent control has induced a great deal of feuding, tacit or open, between landlord and tenant with respect to maintenance, repair, etc. There is often these days a considerable amount of pent up feeling involved in the suits of tenants against landlords for injuries (or property damage) sustained as a result of the premises' condition.

### Casualty Expenses Are Shown This Week

The insurance expense exhibit compiled annually by National Bureau of Casualty Underwriters is presented in tabular form this week. The results shown represent the country-wide experience of 81 stock casualty companies licensed in New York. Net premiums written by these companies in 1950 amounted to \$1,941,260,478. An over-all underwriting profit of \$1.8% before deduction of federal taxes was earned on all lines combined.

## International A. & H. Assn. Names Ernst President

### Three-Day Parade of Sales Ideas Presented at Dallas Meeting

By JOHN C. BURRIDGE

DALLAS—The annual convention of International Assn. of A. & H. Underwriters gave the 450 registrants here a three-day parade of sales ideas offered by exceptionally able speakers. Lacking any immediate problems in the industry or internally, the association gave over the entire program to a first class sales congress in addresses interspersed with entertainment. There were



Carl A. Ernst



J. B. Lambert

eight speakers on selling and full houses at every session.

Carl A. Ernst, North American Life & Casualty, St. Paul, was elected the new president at the Tuesday business meeting. Charles H. Tull, Provident Life & Accident, Seattle, was named vice-president, and Emerson Davis, Inter-Ocean, Dallas, treasurer.

The election furnished some flavoring when an added starter for treasurer was nominated from the floor. The nominating committee is the executive board, and its recommendations are usually unopposed. However, O. K. Johnson, Business Men's Assurance, president of the Omaha association, proposed William E. Reinsh, Massachusetts Bonding, Omaha, a veteran member of the executive board and one of the association wheelhorses in the field.

Early arrivals Sunday were guests at an association reception that evening and the next morning there was a breakfast for the first 150 registered and paid members.

### Lambert Has Three-Point Formula

Retiring President John B. Lambert, Mutual Benefit H. & A., Cleveland, in his report at the opening session asked the new administration to use as a formula for planning its work the ideas of better serving the agent, cooperating with the companies and continuing and increasing public relations activities. The latter, he said is the most important. He favors "a vast industrywide program" in this field.

Membership is at a record high, 4,717, he stated, and the association is also at a new high in prestige and accomplishments.

As his first official act at the international council meeting Tuesday morning, Mr. Lambert appointed Mike O'Sullivan, the two-gun president of American Farmers of Phoenix, as sergeant at arms.

Wesley J. A. Jones, executive secretary  
(CONTINUED ON PAGE 34)

# Ellis Sees 'Dynamite' in 3rd Party Liability Field

The situation in the third party liability field is loaded with dynamite and if it continues it could involve the insolvency of more than a few insurance companies, Raymond L. Ellis, vice-president of Fireman's Fund, told American Assn. of Managing General Agents at its annual meeting at Glenwood Springs, Col.

"I am sure that some companies—particularly those in the fire field—which have recently embarked on a casualty career are going to find that the automobile liability business is far different when they are on the outside looking

testing, most companies are, in normal times, able to set up reserves which are sufficient to cover ultimate payments. "This, I emphasize, is true in normal times—but today times are not normal. We are in the middle of another inflation, and how far upward it will spiral no one knows. As indicated previously, present and future rate adjustment cannot take care of losses already incurred, and to that I would like to add that if this inflationary spiral gets out of control, it will be difficult—in fact, impossible—to get adequate premiums to cover future losses."

The situation today is not a happy one but he said it is not without hope. He spoke of a recent meeting in New York of top casualty company executives at which it was decided that immediate and positive action must be taken to correct the situation if companies are to hope to break even. "We are now asking state supervisory officials to approve upward rate adjustments which, while substantial, will only give us a premium level which, as far as we can now determine, will barely cover our 1950 loss cost. Even then, we don't have all the figures which we have heretofore given supervisory officials in support of rate increases, and it is at this point we might have some difficulty. In an inflationary period, our rating bureaus cannot be expected to forecast the future. We cannot make an exact arithmetical exhibit to prove what our future losses are going to be. All we can do is estimate, and when we base our estimate on recorded experience with trend and projection factors, which can be reasonably shown to be necessary, state officials should be willing to approve our filings."

## Must Control Expenses

He also emphasized the necessity for the proper control of expenses. He said too many companies, especially fire companies, which have entered the automobile liability field recently, are paying commissions in excess of the permissible percentage allowed in the rate structure.

He declared that he is not advocating reduced commissions but does oppose excess commissions. "If companies pay for business more than is necessary to permit producers to make a reasonable profit, we are adding something to the price tag which the public should not have to pay. The more we do this the greater damage we do to our American agency system and the more business we drive off the books of our agents and our companies into the hands of the direct writers."

## Multiple Line, Installment Plans

Referring to the manner in which the business has handled, "or should I say failed to handle," multiple location reporting form business, he declared that a large volume of desirable business has been exported to foreign markets or written in non-admitted companies and often reinsured in admitted companies, or otherwise handled "under the counter." Other accounts went on a self-insurance program. He added that very little, if any, of this business will ever come back to "what I like to term the standard market."

In regard to installment payment of premium and annual renewal plans, he said that the difficulties have been magnified beyond what they should have been by the failure of the business to deal constructively with the key to the problem—an out-moded and indefensible term rule.

He agreed the use of installment payment plans has spread to the point "where I am afraid that nothing we can do now will eliminate them entirely." He believes the term rule should be given a thorough overhauling along with intelligent and cooperative consideration of the possibilities of the use

(CONTINUED ON PAGE 20)

## CASUALTY INSURANCE EXPENSE EXHIBIT FOR THE YEAR ENDING DECEMBER 31, 1950\*

Underwriting Exhibit\*\*\*

Countrywide Experience of Stock Companies Entered in New York

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
<b>I. PREMIUMS</b>																		
Net Premiums Written	1,911,206,478	52,904,866	38,909,483	115,113,109	636,186,257	255,558,551	79,753,763	185,137,859	38,727,885	337,451,471	40,121,684	88,325,836	24,557,667	68,754,620	36,086,491	4,824,737	1,309,181	29,506,708
Net Premiums Earned	1,869,310,258	52,156,103	39,350,083	112,121,146	617,061,238	253,942,491	79,135,328	177,180,004	38,965,125	333,851,253	44,457,321	79,718,717	24,206,884	67,051,054	37,367,811	4,709,440	1,258,567	26,059,423
<b>II. LOSSES</b>																		
Losses Paid (Excluded Loss Adj.)	830,638,554	17,671,617	16,042,553	76,496,546	234,633,638	129,548,718	29,965,758	60,600,529	10,731,765	182,330,255	13,089,697	3,596,070	8,826,283	24,410,466	6,530,938	288,467	364,205	9,440,173
Losses Incurred (Excluded Loss Adj.)	936,318,440	18,972,816	17,484,705	83,584,212	276,515,540	136,805,287	30,955,814	74,077,422	14,380,052	206,010,571	12,845,353	12,467,018	9,838,014	24,223,203	6,336,626	381,512	536,631	10,213,664
Loss Adjustment Expenses Incurred	185,865,929	2,018,191	1,605,345	2,904,377	62,626,656	31,484,925	3,629,427	27,065,223	4,429,343	33,232,811	4,411,434	3,591,421	1,406,781	3,961,259	633,920	706,638	114,341	1,942,147
Total Losses & Loss Adjustment Expenses Incurred	1,122,184,369	20,991,007	19,050,050	86,488,589	339,142,196	168,290,213	34,585,241	101,142,612	18,809,395	239,243,382	17,256,777	16,048,439	11,244,795	28,185,462	7,570,546	1,088,150	650,972	12,355,811
<b>III. PRODUCTION EXPENSES</b>																		
Commissions and Brokerage Incurred	386,839,636	15,391,692	11,061,652	9,377,659	104,354,004	55,736,084	15,714,832	28,729,210	8,067,318	41,978,993	7,005,241	22,317,416	6,824,186	17,695,901	6,322,897	839,290	291,984	5,088,514
Other Production Expenses Incurred	121,378,792	4,744,919	3,442,924	3,233,960	30,472,591	15,756,332	5,521,083	12,400,258	2,738,602	12,794,282	5,732,306	10,266,761	2,165,732	5,718,885	2,321,737	467,841	144,297	2,333,514
Total	508,218,428	20,136,611	14,504,576	12,611,619	134,826,595	71,492,416	21,235,915	41,129,468	10,806,920	54,773,275	12,737,547	32,584,177	8,990,918	23,414,786	8,654,634	1,307,131	436,191	7,422,028
<b>IV. OTHER EXPENSES</b>																		
General Expenses Incurred	160,295,883	5,187,477	1,591,943	5,216,651	29,053,927	15,542,017	3,928,309	25,736,573	4,719,811	30,444,213	6,696,574	11,027,150	2,535,938	6,591,613	9,751,906	389,226	130,274	1,560,761
Taxes, Licenses & Fees Incurred	11,958,439	2,752,874	1,591,943	5,216,651	29,053,927	15,542,017	3,928,309	25,736,573	4,719,811	30,444,213	6,696,574	11,027,150	2,535,938	6,591,613	9,751,906	389,226	130,274	1,560,761
Total	172,254,322	7,940,351	3,183,886	10,433,302	58,107,854	31,084,034	7,856,618	51,473,146	9,439,622	60,888,424	11,416,385	22,054,301	5,071,876	13,183,229	10,743,812	788,457	260,545	3,121,522
<b>V. SUMMARY</b>																		
Net Premiums Earned	1,869,310,258	52,156,103	39,350,083	112,121,146	617,061,238	253,942,491	79,135,328	177,180,004	38,965,125	333,851,253	44,457,321	79,718,717	24,206,884	67,051,054	37,367,811	4,709,440	1,258,567	26,059,423
Net Losses & Loss Adjustment Expenses Incurred	1,122,184,369	20,991,007	19,050,050	86,488,589	339,142,196	168,290,213	34,585,241	101,142,612	18,809,395	239,243,382	17,256,777	16,048,439	11,244,795	28,185,462	7,570,546	1,088,150	650,972	12,355,811
Net Gain from Underwriting	747,125,889	31,165,096	20,300,033	25,632,557	277,919,042	87,652,278	44,550,087	76,037,392	20,155,730	99,607,871	27,190,544	63,670,278	12,962,089	38,865,590	29,797,268	36,662,990	607,595	13,703,612

\*Net as to reinsurance. \*Compiled from copies of Insurance Expense Exhibit filed with the New York Insurance Department. Miscellaneous includes live stock, non-cancellable A. & H. auto, fire, theft and embezzlement. (Munus—)

Note: All exhibits in these compilations represent the combined experience of the following stock casualty companies: Aetna Casualty, Accident & Casualty, Allstate Insurance, American Automobile, American Bonding, American Casualty, American Credit, American Employers, American Fidelity & Cas., American Guar. & Lloyds, American Motorists, American Policyholders, American Surety, Arco Indemnity, Associated Indemnity, Bankers Indemnity, Car & General, Central Surety, Century Indemnity, Citizens Casualty, Columbia Casualty, Commercial Casualty, Connecticut Indemnity, Continental Casualty, Eagle Fire, Eagle Underwriters, Emory & Co., Fidelity & Deposit, Fireman's Fund, General Accident, General Cas. of Amer., General Transportation, Glens Falls Indemnity, Globe Indemnity, Great American, Guarantee Co. of N. A., Hardware Indemnity, Hartford Accident, Hartford Live Stock, Hartford Steam Boiler, Home Indemnity, Indemnity Insurance, International Fidelity, London & Lancashire, London Guarantee, Manhattan Casualty, Manufacturers Casualty, Maryland Casualty, Massachusetts Bonding, Merchants Indemnity, Metropolitan Casualty, National Casualty, National Surety Corp., New Amsterdam Casualty, New England Casualty, New Jersey Mfrs. Casualty, New York Casualty, Ocean Accident, Pacific Indemnity, Pequot Casualty, Pennycuik Bonding, Pennsylvania Manufacturers, Phoenix Indemnity, Preferred Accident, Providence Washington, Royal Indemnity, St. Paul Mercury, Seaboard Surety, Service Casualty, Standard Accident, Sun Indemnity, Travelers Indemnity, Travelers Insurance, United National Ind., United Pacific Insurance, Universal Indemnity, U. S. Casualty, U. S. F. & G., U. S. Guarantee, Yorkshire Indemnity, Zurich General Acc.



R. L. Ellis



Roy L. Davis

in than on the inside wrestling with its many problems," Mr. Ellis said. "This is not a passing phase but is something that is accentuated at the moment."

He called attention to the fact that over the last six years stock companies writing automobile B. I. and P. D. had an underwriting loss of about \$150 million. They were in the red in five of these years and their operations were ostensibly profitable in only one—1949. He emphasized the word "ostensibly" because many losses which occurred in the lone so-called profitable year have not yet been settled and they will certainly cost more than estimated originally, the only question being—How much more?

## Loss Reserves Inadequate

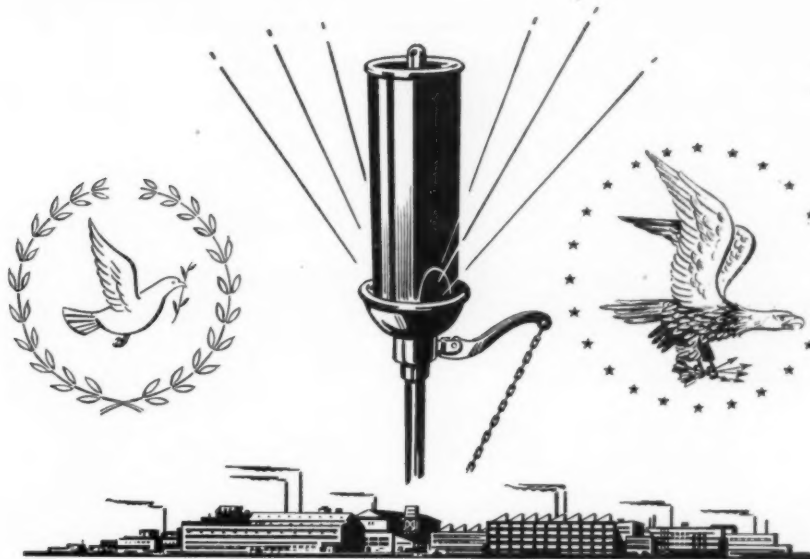
"Loss reserves, which are based on what might be termed normal conditions and which were established to cover liabilities on accidents which occurred last year and in previous periods, simply aren't going to be adequate to pay the kind of verdicts and settlements which are facing the casualty companies today. This means that these companies will have to add to their reserves and thus pay these inflated claims out of surplus funds, and there is a limit to the extent to which these funds will be available."

He said there isn't much that can be done about the losses already sustained but as to those which the business will face in the future he suggested two courses: First, to recognize the absolute necessity for a more effective accident prevention program and a greater effort to educate the public on the fact that they make their own insurance rates, and second, "to adjust our premiums to the point where we will get enough money to pay losses and expenses, to say nothing of having a little left for profit." He pointed out that there are not any more cents in the indemnity dollar than in any other dollar. "Whenever the outgoing cents in expense and loss exceed 100, such excess must be drawn from surplus, and that isn't why we are in business. If conditions which exist today continue, a lot of companies are going to wonder from where are they going to get more surplus."

## Deferred, Unknown Liabilities

He said one of the greatest difficulties in third party liability business is the factor of deferred and unknown liabilities. Even well managed companies do not know with any high degree of accuracy what they are going to ultimately pay for the open claims on their books and losses which have occurred but have not been reported. By long experience, skill and various forms of





## Conversion: How does it affect your clients' insurance?

The current accelerated changes in the business picture provide agents with an almost unprecedented opportunity to serve their clients and demonstrate to them the value of sound insurance counsel.

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*The Ætna Life Affiliated Companies write practically every form of insurance and bonding protection*

LIFE AND CASUALTY

Ætna Life Insurance Company

Ætna Casualty and Surety Company



Hartford 15

FIRE AND MARINE

Automobile Insurance Company

Standard Fire Insurance Company

Connecticut

# Comparison of Earned Premiums and Underwriting Results for 1946 to 1950 Inclusive†

Countrywide Experience of Stock Casualty Companies Entered in New York

Line of Business	Premiums Earned (Net as to Reinsurance)					Percentage Increase in Premium Volume*				
	1946	1947	1948	1949	1950	1946	1947	1948	1949	1950
Accident	43,593,599	50,539,997	52,915,420	53,702,040	53,196,103	252,947,159	11.2	15.9	4.7	1.5
Health	21,666,485	26,172,212	28,943,312	32,935,965	39,350,685	149,068,659	25.5	20.8	10.6	13.8
Group Accident & Health	44,091,774	56,246,946	68,158,372	85,020,219	112,121,746	365,639,057	1.4	27.6	21.2	24.7
Auto Liability	261,388,308	347,455,921	415,059,789	467,031,497	517,661,234	2,008,596,749	30.6	32.9	19.5	12.5
Auto P.D.	95,133,014	143,129,053	190,702,902	224,907,818	255,942,491	909,815,278	31.7	60.5	33.2	17.9
Auto Collision	21,390,606	31,720,348	37,392,737	58,858,080	70,132,328	219,494,099	397.9	48.3	17.9	57.4
Liability other than Auto	115,508,064	136,935,585	152,651,658	158,940,220	171,780,054	735,815,581	15.1	18.6	11.5	4.1
P.D. & Coll. other than Auto	14,478,947	21,224,103	27,891,506	31,492,527	35,965,125	131,052,208	29.6	46.6	31.4	12.9
Workmen's Compensation	250,919,219	312,236,080	345,754,168	396,231,839	358,831,252	1,581,352,559	4.0	25.0	10.6	-2.8
Fidelity	27,345,439	39,273,339	41,154,861	43,394,279	44,427,321	205,595,239	-7.7	5.2	4.8	5.4
Surety	38,103,167	46,008,296	57,079,652	68,342,146	79,748,717	289,281,978	9.2	20.7	24.1	19.7
Glass	12,807,259	16,007,333	20,678,309	23,281,346	24,206,884	96,981,131	13.3	25.0	29.2	12.6
Burglary and Theft	49,694,190	59,267,493	63,587,103	66,108,917	67,051,054	305,708,757	23.4	19.3	7.3	4.0
Boiler and Machinery	16,609,715	18,636,530	23,328,700	24,492,869	27,367,811	108,435,625	5.7	12.2	14.4	14.8
Credit	3,010,349	3,920,409	4,625,657	4,839,146	4,709,440	21,105,001	-5.3	30.2	18.0	4.6
Sprinkler	1,135,343	1,257,035	1,362,880	1,470,432	1,258,567	6,384,257	14.6	10.7	8.4	-6.2
Miscellaneous	4,104,575	3,160,316	19,741,316	21,585,564	26,059,425	74,651,196	24.2	-23.0	524.7	9.3
Total	1,030,980,053	1,313,580,996	1,549,028,342	1,702,524,904	1,866,810,238	7,462,924,533	17.6	27.4	17.9	9.9

Line of Business	Amount of Net Gain from Underwriting* (Prior to Federal Income and Excess Profits Taxes)					Per Cent of Net Gain from Underwriting* (Prior to Federal Income and Excess Profits Taxes)				
	1946	1947	1948	1949	1950	1946	1947	1948	1949	1950
Accident	6,099,077	6,664,597	7,916,973	6,778,674	5,442,562	32,901,882	14.0	13.2	15.0	12.6
Health	1,464,791	1,372,156	1,789,068	-517,123	3,080,779	7,179,671	6.7	5.3	6.2	-1.6
Group Accident & Health	2,039,192	2,862,169	4,741,248	4,286,067	4,352,457	18,281,133	4.6	5.1	7.0	3.9
Auto Liability	-40,663,648	-14,070,263	6,951,934	31,826,959	-3,003,033	-18,958,051	-15.6	-4.1	1.7	6.8
Auto P.D.	-38,030,830	-33,726,635	-18,485,427	-2,744,220	-8,035,676	-101,022,788	-40.0	-23.6	-9.7	-3.1
Auto Collision	-6,350,461	6,527,961	4,927,968	9,742,237	8,217,592	17,064,297	-2.7	1.7	13.2	16.6
Liability other than Auto	6,453,931	10,482,497	2,607,613	-4,154,050	-11,409,270	3,920,721	5.6	7.6	1.7	-2.6
P.D. & Coll. other than Auto	1,193,657	1,192,855	1,567,616	1,755,303	471,694	6,181,125	8.2	5.6	5.6	5.6
Workmen's Compensation	7,791,678	24,945,633	33,922,265	33,640,486	-1,317,466	98,982,596	3.1	8.0	9.8	10.0
Fidelity	8,352,478	9,006,710	2,306,352	3,632,032	6,341,320	29,638,892	22.4	22.9	5.6	8.3
Surety	13,657,921	11,377,987	13,845,309	14,218,330	17,071,732	70,171,279	35.9	24.7	24.3	20.8
Glass	-2,047,115	-3,608,842	476,498	2,031,796	745,380	-2,402,283	-16.0	-22.5	2.3	8.7
Burglary and Theft	-6,833,016	395,390	5,614,390	5,057,545	6,751,739	19,866,048	-13.8	7.7	8.8	7.7
Boiler and Machinery	-2,377,001	-3,714,578	-1,858,990	653,430	62,339	-7,234,800	-14.3	-19.9	-8.7	2.7
Credit	1,437,343	1,279,121	1,685,668	1,804,482	1,763,516	7,970,130	47.8	32.6	36.5	37.3
Sprinkler	59,913	-72,980	-172,543	240,408	2,623	57,421	5.3	-5.8	-12.7	17.5
Miscellaneous	-934,156	-2,579,090	-3,112,948	2,789,653	3,964,454	127,933	-22.8	-81.6	-15.8	12.9
Total	-48,696,246	12,334,688	64,722,994	111,041,009	34,442,742	173,845,187	-4.7	.9	4.2	6.5

\*Minus (-) sign denotes loss.

†Number of Companies Included in this Exhibit:

1946	1947	1948	1949	1950
81	78	76	76	81

## Comparison of Expense Ratios and Loss Ratios for 1946 to 1950 Inclusive

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Item of Expense	Calend- Year	Total	Acci- dent	Health & Health	Group Accident Auto Liab.	Auto P.D.	Auto Collision	Liab. other than Auto	P.D. & Coll. Not Auto	Work- men's Comp.	Fidel- ity	Surety	Glass	Burg- lary and Theft	Boiler and Machin- ery	Credit	Sprin- kler	Miscel- laneous	
Commission and Brokerage Incurred	1946	20.9	32.1	33.2	8.3	21.7	24.6	31.2	22.6	22.6	12.7	18.6	27.9	36.2	30.8	21.7	18.0	25.5	27.0
	1947	20.9	30.8	30.6	8.6	21.7	25.2	27.1	23.1	22.4	12.6	16.3	28.8	34.1	27.4	22.4	21.8	24.8	29.9
	1948	20.3	30.0	30.3	8.3	20.6	23.2	25.6	21.9	21.5	12.7	21.2	27.7	28.8	26.5	22.3	18.2	24.7	30.7
	1949	20.0	29.3	34.1	8.5	20.2	22.2	33.8	23.6	22.4	13.1	16.1	27.2	28.4	26.5	19.9	18.7	22.6	20.9
	1950	19.7	28.9	28.1	8.4	20.2	21.7	22.4	22.6	22.5	12.5	15.8	28.0	28.3	26.4	23.1	17.9	23.2	19.5
	Total	20.2	30.2	31.1	8.4	20.7	23.0	24.9	22.5	22.2	12.8	17.5	27.9	30.4	27.4	21.9	18.0	24.1	28.8
Other Production Expenses Incurred	1946	5.9	5.8	4.7	1.5	5.3	6.0	8.3	5.6	5.9	4.1	11.5	12.3	7.7	8.4	8.5	7.9	10.3	3.0
	1947	5.3	5.3	3.7	1.4	5.2	5.4	6.2	5.4	5.6	3.7	10.7	12.4	7.0	7.1	8.7	7.2	9.3	1.7
	1948	5.0	5.5	4.1	1.8	4.7	4.8	5.4	5.2	5.3	3.7	12.5	11.4	5.9	6.7	8.1	7.6	9.8	3.8
	1949	6.4	8.4	9.4	2.6	5.8	6.2	6.8	7.2	6.8	3.9	13.0	14.2	8.7	8.6	8.9	8.5	10.4	9.0
	1950	6.5	8.9	9.3	3.0	5.9	6.4	7.9	7.2	7.6	3.8	12.9	13.0	8.9	8.5	9.3	9.9	11.5	9.0
	Total	5.9	6.8	6.6	2.2	5.5	5.8	7.0	6.2	6.4	3.8	12.2	12.8	7.7	7.8	8.7	8.3	10.3	7.0
Total Production Expenses Incurred	1946	26.8	37.9	37.9	9.8	27.5	30.6	39.5	28.2	28.5	16.8	30.1	40.2	43.9	39.2	30.2	25.9	35.8	30.0
	1947	26.2	36.1	34.3	10.0	26.9	30.6	33.3	28.5	28.0	16.3	27.0	41.2	41.1	34.5	31.1	29.0	34.1	24.6
	1948	25.3	35.5	34.4	10.1	25.3	28.0	31.0	27.1	26.8	16.4	33.7	39.1	36.7	32.2	30.4	25.8	34.5	24.5
	1949	26.4	37.7	43.5	11.1	26.0	28.4	30.6	29.8	29.2	17.0	29.1	41.4	37.1	35.1	28.8	27.2	33.0	29.9
	1950	26.2	37.8	37.4	11.4	26.1	28.1	30.3	29.8	30.1	16.3	28.7	41.0	37.1	34.9	32.4	27.8	34.7	28.5
	Total	26.1	37.0	37.7	10.6	26.2	28.8	31.9	28.7	28.6	16.6	29.7	40.7	38.1	35.2	30.6	27.2	34.4	28.8
General Expenses Incurred (Including Inspection and payroll Audit)	1946	11.9	12.3	8.9	7.1	9.2	9.5	7.8	15.5	13.3	10.7	18.8	18.5	12.7	13.1	45.5	13.1	15.1	9.4
	1947	10.9	11.5	8.6	6.8	8.6	8.9	6.9	15.1	12.9	10.2	14.8	16.4	12.3	11.4	44.3	12.7	13.1	8.7
	1948	10.4	11.6	9.0	6.0	8.0	8.1	6.7	14.7	12.1	10.2	16.7	15.3	10.9	11.2	42.4	13.0	13.1	10.2
	1949	8.6	9.3	4.5	4.8	5.8	6.1	5.0	14.3	13.2	8.8	15.1	14.2	9.9	10.2	37.9	6.4	9.8	6.2
	1950	8.6	9.7	4.1	4.6	5.6	6.1	5.6	15.0	13.2	9.1	15.1	13.9	10.5	10.0	35.6	8.5	10.4	6.0
	Total	9.0	10.8	6.6	5.6	7.2	7.3	6.0	14.8	12.9	9.7	15.7	15.2	11.2	11.1	40.5	10.4	12.2	7.5
Taxes, Licenses and Fees Incurred (Excl. Federal Income and Real Estate)	1946	3.2	2.9	2.6	2.5	3.2	3.1	3.4	3.0	3.2	3.3	3.2	3.6	3.2	3.5	3.5	3.2	3.3	3.7
	1947	3.2	2.7	2.5	2.7	3.2	3.2	2.9	3.0	3.1	3.4	2.9	3.5	3.1	3.2	4.6	3.4	3.1	3.5
	1948	3.2	2.5	2.3	2.5	3.3	3.1	2.9	2.8	2.9	3.4	4.1	3.5	2.4	2.9	3.6	3.2	3.4	2.8
	1949	3.3	3.8	2.9	2.6	3.4	3.2	2.6	2.9	3.0	3.7	3.1	3.4	2.7	2.9	3.6	3.9	2.5	3.1
	1950	3.3	3.8	2.2	3.0	3.4	3.2	3.1	3.0	3.1	3.7	3.1	3.6	2.9	3.0	4.1	3.8	3.0	3.3
	Total	3.2	2.7	2.5	2.7	3.3	3.2	2.9	3.0	3.1	3.5	3.3	3.5	2.8	3.1	3.9	3.5	3.1	3.1
Loss Adjustment Expenses Incurred (Allocated & Unallocated)	1946	9.0	3.4	4.1	3.9	11.3	16.1	8.1	8.9	10.1	8.4	7.8	5.6	5.8	6.5	2.8	11.2	5.6	1.5
	1947	8.4	3.3	4.6	2.9	9.9	13.0	5.0	9.3	9.4	7.6	5.5	6.4	5.8	5.8	3.1	8.2	8.0	3.0
	1948	8.1	3.1	4.0	3.4	9.6	11.5	4.3	10.1	8.8	7.6	8.9	4.7	4.9	5.7	2.6	9.7	7.0	5.4
	1949	8.6	3.6	4.2	2.9	9.8	12.0	4.9	12.3	10.9	8.1	10.5	4.8	5.4	6.2	2.4	14.1	6.4	5.5
	1950	9.9	3.8	4.1	2.6	12.1	12.3	5.2	15.8	12.3	9.9	9.9	4.5	5.8	5.9	2.3	15.0	9.1	7.4
	Total	8.9	3.5	4.2	3.2	10.6	12.6	5.2	11.6	10.5	8.3	9.2	5.1	5.5	6.0	2.6	11.9	7.2	5.8
Total Expenses Incurred	1946	50.9	56.5	53.5	23.3	51.2	59.3	58.8	55.6	55.1	39.2	57.9	67.9	66.6	62.2	82.0	53.4	59.8	44.6
	1947	48.7	53.6	50.0	23.4	48.7	55.7	48.1	55.9	53.4	37.5	53.2	67.5	62.3	54.9	83.1	53.4	58.3	109.8
	1948	47.0	52.7	49.7	22.0	46.2	50.7	44.9	54.7	50.6	37.6	63.4	62.6	52.9	53.0	79.0	51.7	58.0	61.9
	1949	46.9	53.4	55.1	21.4	45.0	49.7	43.1	59.3	56.3	37.6	67.8	63.8	55.1	54.4	72.7	51.6	51.7	44.7
	1950	48.0	54.1	47.8	21.6	47.2	49.7	44.2	62.6	58.7	39.0	56.8	63.0	56.3	53.8	74.4	55.1	57.2	45.2
	Total	48.1	54.0	51.0	22.1	47.3	51.9	46.0	58.1	55.1	38.1	57.9	64.5	57.6	55.4	77.6	53.0	56.9	52.2
Losses Incurred (Excluding all Loss Adjustment Expense)	1946	53.8	29.5	39.8	72.1	64.4	80.7	70.9	38.3	36.7	57.7	19.7	—3.8	49.4	51.5	32.2	—1.2	34.9	78.2
	1947	50.4	33.2	44.7	71.5	55.4	67.9	50.2	36.5	41.0	54.5	23.9	7.8	60.2	44.4	36.8	14.0	47.5	71.8
	1948	48.8	32.3	44.1	71.0	52.1	59.0	41.9	43.6	43.8	62.6	31.0	13.1	44.8	38.2	29.7	11.8	54.7	53.9
	1949	46.8	34.0	46.5	73.6	48.2	51.6	40.3	43.3	38.1	52.4	33.9	15.4	36.2	37.9	24.6	11.1	30.8	42.4
	1950	50.2	35.7	44.4	74.9	53.4	58.4	44.1	43.1	40.0	61.4	28.9	15.6	40.6	36.1	25.4	7.6	42.6	39.6
	Total	49.6	33.1	44.2	72.9	53.7	59.2	46.2	41.4	40.2	55.6	27.7	11.3	44.9	41.0	29.1	9.2	42.2	47.4



## Dynamite Seen in 3d Party Liability

(CONTINUED FROM PAGE 26)

of a continuous policy, or, at least, the use of renewal certificates on certain types of business.

## COMPULSORY LAWS

Increasing sentiment for compulsory insurance laws can be attributed to a lack of understanding of established facts, Roy L. Davis, Chicago manager of Assn. of Casualty & Surety Companies, declared.

Mr. Davis referred to a small, well-meaning but misinformed group urging compulsory automobile insurance in spite of the fact that statistics prove greater public protection is given in those states which have adopted safety responsibility legislation than in Massachusetts, the only state with a compulsory automobile liability insurance law.

The sentiment for compulsory insurance laws is not confined to automobile liability policies, but extends to temporary disability benefit insurance, surety bonds, hospitalization and medical care insurance, the speaker said.

Stressing the importance of accident prevention in helping to keep rates within the budget of the insurance buyer, Mr. Davis stated that much work can be done at the community level to reduce the toll of highway accidents. He pointed out that the reduction of on-the-job accidents resulting from safety work in industry has been a primary factor in keeping rates for this coverage at an acceptable level.

### Speaks for Private Enterprise

"For more than 150 years, this country has been operating on the assumption that private enterprise is a good risk," Melvin J. Miller, president National Assn. of Insurance Agents, said. "But our own government sometimes doesn't seem to think private, free enterprise is a good risk."

He cited various efforts of the bureaucrats toward nationalization of our entire economy. As its first victim, Mr. Miller said, the government selected the highly-developed, successful, investor-owned, taxpaying electric light and power industry. Socialized medicine is now another increasingly clamorous cry.

He asserted that although insurance hasn't yet felt the major force of the socialistic program, it will in the near future. "The latest effort by the socialist planners is the compulsory health insurance program now in force before Congress. This would squeeze out the successful, voluntary programs of business-managed industry."

"I think it's high time that we, as specialists in risks, assay the risk of private enterprise. Not only as a group but, more important, individually. And I think it is imperative that we go out, individually, and do something positive and keep on doing something positive about preserving our constitutional and proved successful system, and freedoms."

## Auto Liability Rates Increased in Mich., Oregon

(CONTINUED FROM PAGE 25)

viewed the new rates as inevitable, in the light of experience and difficulties recently encountered by some carriers arising from inadequate rates.

### WASHINGTON HIKE LIKELY

Automobile B.I. and P.D.L. rates will be increased in Washington effective June 25 if a filing of National Bureau of Casualty Underwriters is not disapproved. Average increases are: Private passenger B.I., 15.9%; private passenger P.D.L., 20.2%; commercial B.I. 5.80%; commercial P.D.L., 15.4%.

Increases will be applicable June 25

to all policies written on or after that date and to all policies to become effective on or after Aug. 1.

### INCREASES IN OREGON

Substantial increases in automobile third party liability rates went into effect in Oregon Monday. The combined B.I.-P.D. rates for private passenger cars are higher by slightly more than 20%. There were no changes in B.I. rates for commercial vehicles. The combined rates as a result of this change appear to be about 4% higher for the commercial classification.

In territory 1, the new class 1 private

passenger rate is \$49, up \$10; class 2, \$81, up \$16.50; class 3, \$71, up \$15; territory 5, class 1, \$39, up \$8; class 2, \$64, up \$12.50 and class 3, \$71, up \$15; territory 6, class 1, \$25, up \$5; class 2, \$41, up \$9 and class 3, \$35, up \$7.

### Tenn. 1950 Auto Figures

NASHVILLE—Commissioner Allen has issued the report on auto B.I. and P.D. experience for 1950 in Tennessee. Stock companies show total B.I. premiums earned of \$9,917,684; losses incurred \$5,221,684, loss ratio 52.65 and for P.D. premiums of \$4,699,212; losses

\$2,996,166, loss ratio 63.76.

Preferred Accident, which was recently thrown into liquidation, had a loss ratio of 118.34 on B.I. and 83.56 on P.D.

Mutual companies had B.I. earned premiums of \$2,548,375 against losses of \$1,544,464, for an average loss ratio of 60.61 and P.D. premiums of \$1,231,596 against losses of \$773,701, for a ratio of 62.82.

Grand totals for all types of insurers were: Earned B.I. premiums, \$13,832,860; losses incurred, \$7,448,441; ratio, 53.85; P.D. earned premiums, \$6,614,134; losses, \$4,208,458; loss ratio 63.63.

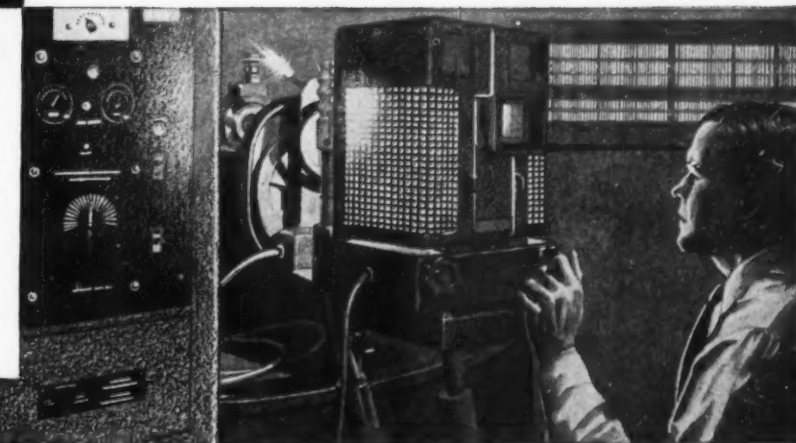
## Like F&D, he SPECIALIZES

### CHASING RAINBOWS

is his job. A spectroscopist, he forces  
hard metal to yield its inner secrets...

reads its chemical composition in  
the brilliant colors of its spectrum.

No problem of analysis long  
defies the specialist.



The most important requirement in the successful selling of fidelity and surety coverages is the ability to analyze a prospect's bonding needs. To make such an analysis, however, frequently requires a more intimate knowledge of the subject than many general insurance agents have time to acquire.

F&D enables its representatives to overcome this hurdle by maintaining staffs of bonding specialists at numerous points throughout the country—men who are prepared to act swiftly and authoritatively in connection with all bonding problems.

Always ready to respond to an agent's call, F&D's field men bring with them to the sales scene the accumulated experience of a company that has specialized for more than 60 years in the underwriting of fidelity and surety bonds.



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BURGLARY, AND OTHER NEEDED  
FORMS OF INSURANCE

**FIDELITY AND DEPOSIT COMPANY**  
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

## Commission and Brokerage on Direct Business for 1950

Countrywide Results of Stock Casualty Companies Entered in New York Calendar Year 1950									
Line of Business	Net Premiums Written on Direct Business	Commissions and Brokerage Incurred	1946	1947	1948	1949	1950		
Accident .....	\$ 59,378,967	\$ 16,974,947	31.0	30.4	29.5	28.7	28.6		
Health .....	39,253,641	10,719,228	31.2	29.9	29.3	27.8	27.3		
Group Accident & Health .....	117,547,180	9,511,349	7.7	7.9	7.9	8.1	8.1		
Automobile Liability .....	553,107,829	108,301,491	19.8	20.0	19.7	19.6	19.6		
Automobile P.D. ....	272,453,674	56,850,260	21.5	24.5	21.3	21.1	20.9		
Automobile Collision .....	75,586,300	16,289,791	21.9	21.6	21.7	20.1	20.7		
Liability other than Auto. ....	192,594,739	40,967,893	21.4	21.0	21.0	21.3	21.3		
P.D. & Coll. other than Auto. ....	41,119,181	8,510,372	20.8	20.4	20.5	21.0	20.7		
Workmen's Compensation .....	348,053,468	42,749,461	12.9	12.2	12.4	12.7	12.3		
Fidelity .....	47,061,764	9,428,234	20.0	19.8	18.4	19.7	20.0		
Surety .....	103,348,602	28,390,541	25.1	26.2	25.8	26.4	27.5		
Glass .....	24,823,004	6,837,244	30.9	31.1	30.6	28.8	27.5		
Burglary and Theft .....	72,555,002	19,010,713	26.0	26.0	26.0	26.0	26.2		
Boiler and Machinery .....	59,794,835	6,988,953	19.6	17.3	17.9	19.5	17.6		
Credit .....	6,392,101	1,637,360	23.1	24.2	21.3	23.7	24.1		
Sprinkler .....	1,368,145	304,857	21.7	21.6	21.4	22.7	22.3		
Miscellaneous .....	26,946,671	5,206,498	22.2	16.4	19.3	16.2	19.3		
Total .....	\$2,024,385,094	\$388,579,182	19.6	19.3	19.1	19.3	19.2		

## New York Labor Department Surveys A. & H. Bargaining

The New York state labor department has published a survey completed last January of 306 health insurance programs in the state established by collective bargaining. One-third of the plans set a top cash weekly benefit of \$30, while 42% of the plans set the maximum benefit between \$25 and \$29 and for one-seventh the benefit was less than \$25. The remaining 11% provided the coverage directly as allowed under the disability benefits law.

The survey showed that nine out of 10 of the 306 programs provided hospital benefits and of these close to 30% met the full cost of semi-private hospital room, including board. An additional 54% reimbursed insured between \$5 and \$9 a day.

### Data on Surgical Benefits

Surgical benefits were provided by 85% of the programs. The maximum payment for surgical ranged between \$150 and \$249 in 75% of the plans. Maternity benefits for women workers or wives of insured were provided in 217 of the plans. The number of hospital plans protecting dependents amounted to three-fifths and one-third of the surgical plans covered dependents.

Medical insurance was found in one-third of the plans and only 13 programs included complete medical service. There were 55 plans repaying the patient \$2 to \$5 for doctor's visits. There were 13 which paid for the visits only in the hospital. Of this number, 11 offered only special limited benefits.

In 95% of the plans eligibility continued for specified periods after the worker became unemployed and in 11 out of every 12 of the plans, union membership was required for participation.

The survey showed that all but 17 of the 306 plans were non-contributory. Insurance companies handled the entire program in 50% of the plans, one-sixth of the programs were self-insured and the remaining one-third were divided between insurance companies and Blue Cross or self-insurance.

## Coast Surety Men Confer with Eastern Chieftains

NEW YORK — Five surety company executives representing three local surety associations on the coast will engage in round table conferences with staff members and committees of Surety Assn. of America here during the week of June 17-22 in order to discuss Pacific coast problems.

The coast conferees are F. J. Butcher, Fireman's Fund Indemnity and Harold Bishopp, Hartford Accident, representing Surety Underwriters Assn. of Northern California; H. S. Vreeland, American Auto, president of Surety Underwriters Assn. of Southern California, and Dan E. Gorton, Fidelity & Deposit, Los Angeles, and K. F. Warrack, American Surety, representing Surety Underwriters Assn. of Seattle.

On June 18 and 19 the Coast men will meet with staff members of S.A.A. and its subcommittee on public relations. On June 20 the field of discussion will be broadened when the visiting officials and the subcommittee on public relations meet with the association's executive committee.

Paul H. Schindler, insurance manager of Youngtown Sheet & Tube has been elected vice-president of American Management Assn. in charge of the insurance division.

## 4,000th Aetna Graduate Gets Diploma



Lauren E. Merriam, Jr., left, Panama City, Fla., the 4,000th graduate of the Aetna Casualty sales course, is awarded his diploma by President Morgan B. Brainard, center, after completing the five-week course at the home office. At the right is Amos E. Redding, founder and director of the course.

At the graduation dinner, Paul W. Lattimore vice-president of Gebhard, Tryon & Lattimore Agency at Auburn, N. Y., told the graduates that in order to

become community leaders insurance-wise they must also become active in other community affairs. Mr. Lattimore was an honor graduate of the course four years ago.

Pointing out that an agent cannot carve out a successful future from an office chair, Mr. Lattimore urged the graduates to talk insurance with hundreds of different people every month, even if only to acquaint them with new developments in the insurance field.



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Here they are . . . the really superior Polio and Dread Disease Plans. \$5000 Blanket Medical Expenses with no "schedules" and no "deductibles". Covers expenses incurred within three years from date of first treatment . . . for Polio, Diphtheria, Smallpox, Spinal Meningitis, Scarlet Fever, Tetanus, Encephalitis and Leukemia. All ages are eligible . . . and you can sell American's plan to individuals—to families—to groups!

BE PREPARED to handle the huge demand for Polio and Dread Disease coverage which has already started. Give your clients the FINEST policy and double your own earnings! Write today for full information about American Casualty's Polio and Specified Dread Disease Policy.

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## Further Improvement Made in Bankers Blanket Bonds

Improvements in new standard forms No. 24 and No. 2 of bankers blanket bonds became effective Monday. These are applauded by the insurance and protective department of American Bankers Assn. All the improvements apply to outstanding bonds.

Surety Assn. of America has incorporated several improvements made by endorsement since the forms were last revised on May 1, 1946, and has changed the terms and conditions of Form No. 2 to make them conform with Form No. 24 wherever practicable without eliminating distinctions which the association believes merit a slightly higher premium being charged for the No. 24 bond.

The definition of insured property in both forms has been shortened and clarified. More instruments continue to be listed separately in Form No. 24 than in No. 2, but both cover "all other instruments similar to" those listed and the most important difference is that only Form 24 continues covering "other valuable papers and documents."

Whether the words "other valuable papers and documents" in the definition of property in Form 24 contemplate bank records, including microfilms, has been settled by addition of a new paragraph in the valuation clause, Section 4. This specifies that the company shall be liable for the cost of blank books and other materials, plus the cost of labor for transcribing data to reproduce books and other records damaged or destroyed, or lost through burglary, larceny, theft, misplacement, etc., as specified in premises insuring clause B and transit insuring clause C of Form 24.

The definition of employees has been extended in both forms to include attorneys retained by the bank and employees of such attorneys while performing legal services for the bank. A rider to cover such attorneys without additional premium has been available on request since July 11, 1949. "Guest Students," previously covered by Form 24, are also covered by Form 2.

Coverage of blank stationery and supplies against loss or damage by larceny, theft, burglary, robbery, vandalism or malicious mischief, is specifically added in both forms to the equipment covered in any office of the bank.

Forgery insuring clause D (optional in both forms for an additional premium) has been improved and shortened by covering loss through forgery or alteration of, on or in any checks, drafts and other named instruments. A sentence has been added to clarify that checks and drafts endorsed in the names of fictitious payees or procured in "face-to-face" transactions and endorsed by anyone other than the one impersonated shall be deemed to bear forged endorsements.

Securities insuring clause E (also optional in both forms for an additional premium) has been broadened to cover securities, documents and other written instruments forged as to the signature of any person signing in any other capacity in addition to the specified capacities, such as maker, endorser, transfer agent, lessee, etc. The new clause also covers any loss through guaranteeing or witnessing signatures on securities whether or not the documents are forged.

The salvage clause, section 5 in both forms, is brief and clearly states that in the event any loss exceeds the amount

of coverage furnished by the bonds, the bank shall be entitled to all recoveries until fully reimbursed.

The reinstatement clause has been replaced with a non-reduction of liability provision, section 6 in both forms, which clearly states: "Payment of loss under this bond shall not reduce the liability of the underwriter under this bond for other losses whenever sustained." As heretofore, however, no more than the amount of the bond can be recovered for the acts of any one person, with certain specified exceptions, or for any one casualty or event.

\* \* \*

The other insurance clause, section 9, is changed so that the bond is excess over "the amount recoverable or recovered" from other insurance or indemnity carried by the insured, instead of contributing prorata with such other insurance covering the same loss. This should avoid or minimize reduction of the bank's blanket bond experience rating credit when losses are covered by other insurance.

The limitation in Form 2 of 12 months in which to discover losses caused by an employee found to have committed a dishonest act has been eliminated. This means that in Form 2, as well as in Form 24, the bank has until 12 months after cancellation of the bond as an entirety in which to uncover additional losses caused by dishonest employees.

Like Form 24, Form 2 now covers any losses sustained by nominees organized to handle certain business transactions and composed of officers or employees of the insured bank.

Coverage of losses due to misplacement or mysterious unexplainable disappearance of property is made a component part of premises insuring clause B and transit insuring clause C of Form 2, conforming in this respect with Form 24. This change has been effected by rider since Jan. 9, 1950.

The exclusions in Form 2 are rearranged and changed to conform with the 24 bond where practicable. For example, losses due to acts of directors are not excluded while the directors are performing the duties of employees or are acting as members of a committee appointed by the board of directors to perform specific acts. Also, as misplacement coverage is now included in the bond, the exclusion of tellers' shortages due to error is added.

Other conditions of Form 2 are rearranged and changed to conform with the No. 24 bond where practicable. For example, the requirement that notice of loss be given within 10 days after discovery is eliminated from Form 2 and in both forms such notice must be given at the earliest practicable moment.

The redemption of U. S. savings bonds insuring clause is lettered "F" in the new Form 24 and loss through the receipt of counterfeit U. S. currency and coin is covered by a new insuring clause G. Coverage of counterfeit currency and coin has been added to the 24 bond by rider since June 2, 1949.

The No. 24 and No. 2 forms are issued to commercial banks and trust companies. Similar changes, where appropriate are being effected in the savings banks blanket bond form No. 5 rider.

## Plans for Michigan Agents' Annual Meeting Shaping Up

Plans are beginning to shape up for the annual meeting of Michigan Assn. of Insurance Agents, to be held jointly with the Upper Peninsula convention at the Grand Hotel, Mackinac Island, Sept. 10-12.

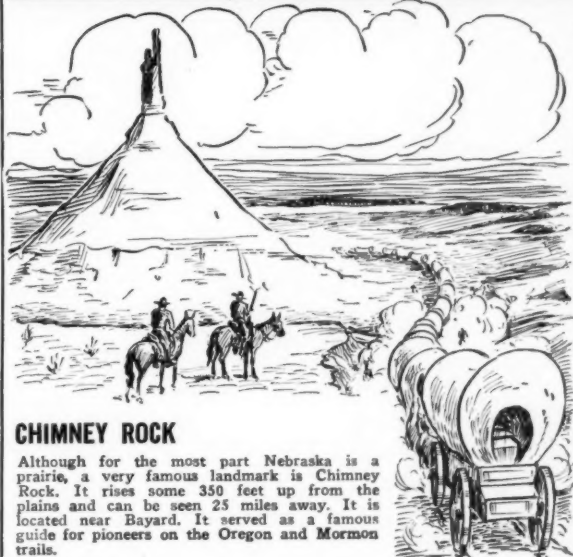
One session, it was announced this week by C. Gilbert Waldo, Detroit, president of the state association, and Vernon A. Floria, Munising, president U.P. Association, will be devoted exclusively to agency advertising. Another session will be called "The Fieldscope," taking up field men's activities, with Richard E. Vernor, Western Actuarial Bureau, Chicago, as moderator. Laurence H. Hall, humorist, philosopher, will be the banquet speaker.

Committee sessions are scheduled for Sept. 10, with the general convention meetings confined to Sept. 11 and 12. A full entertainment program is being arranged.

## Monmouth County Fun Day

Monmouth County (N. J.) Assn. of Insurance Agents will hold its annual "day of fun" June 21 at Manasquan River Country Club. There will be no speakers.

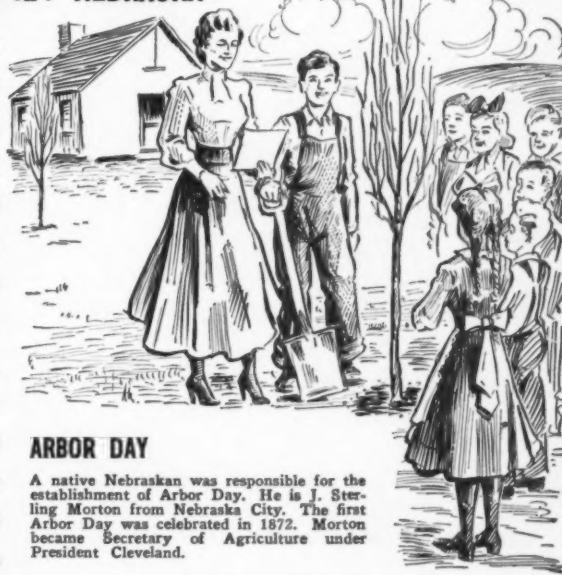
## HIGH SPOTS IN HISTORY



### CHIMNEY ROCK

Although for the most part Nebraska is a prairie, a very famous landmark is Chimney Rock. It rises some 350 feet up from the plains and can be seen 25 miles away. It is located near Bayard. It served as a famous guide for pioneers on the Oregon and Mormon trails.

## 12: NEBRASKA



### ARBOR DAY

A native Nebraskan was responsible for the establishment of Arbor Day. He is J. Sterling Morton from Nebraska City. The first Arbor Day was celebrated in 1872. Morton became Secretary of Agriculture under President Cleveland.



### PREHISTORIC MAMMOTS

The largest prehistoric mammoth was discovered in Nebraska. The skeleton of this enormous animal measured more than 14 feet in height. It was excavated near North Platte in the early Twentieth Century.

## ALSO A HIGH SPOT . . .

. . . in many insurance agents' careers is when they join Hawkeye-Security & Industrial's great team.

Hawkeye-Security & Industrial are working constantly to build more sales for agents; prompt equitable settlements of claims . . . and skilled field representatives to work closely with all agents are just a few of the reasons why the trend is to these companies.



**HAWKEYE - SECURITY INSURANCE CO.**  
**INDUSTRIAL INSURANCE CO.**

Des Moines, Iowa



M. O. Allen, Tennessee commissioner, with Ceferino Villar, Philippine Islands commissioner, at Swampscott meeting of N.A.I.C.

## ACCIDENT AND HEALTH

### Cornett Prudential's A. & H. Sales Head

W. B. Cornett, who resigned last November as 1st vice-president of Loyal Protective Life, has been named head of the A. & H. sales department of Prudential, which has just entered the A. & H. field.

Mr. Cornett has been in A. & H. sales work since 1922, starting as an agent of Loyal Protective. He wrote 1,088

A. & H. contracts his first year. He successively became general agent, field director for a number of midwestern states with headquarters at Columbus, O., and then went to the home office as superintendent of agencies. He was made vice-president in 1942 and 1st vice-president in 1948, continuing in charge of the agency department.

He served as president of the Ohio and National Assns. of A. & H. Underwriters and has been active in H. & A. Underwriters Conference.

### Benefits Under California UCD Law Are Increased

A bill amending California's unemployment compensation disability law, which represents a compromise between labor and management groups, has been signed by Governor Warren. It increases the maximum weekly disability insurance benefits from \$25 to \$30.

The bill also provides that a disabled individual, when hospitalized, is entitled to benefits even though he continues to receive his regular wage. He is not entitled to hospital benefits, however, if he is covered under the workmen's compensation law or employers liability.

A "presumption of ineligibility" is created as to individuals who have left work because of a labor dispute, although benefits may be paid if it is established that the disability was the result of an accident or that it required hospitalization, and that it did not result from a labor dispute.

The measure provides that where 85% of the employees have consented to a voluntary plan, the plan may be made applicable to all employees on the request of either the employer or 75% of the consenting employees. In such case, any employee may reject the plan, and new employees may reject it at the time they are hired.

### A. D. Anderson Occidental's San Antonio General Agent

A. D. Anderson has been appointed general agent at San Antonio for Occidental Life of California. He has served as home office supervisor in Texas with offices at San Antonio for five years.

He joined Occidental in 1940 as accident and sickness division manager for the midwest, supervising Illinois, Minnesota, Indiana, Ohio and Michigan. From Chicago. In 1942 he was called to the home office as accident and sickness superintendent. He simplified and re-organized Occidental's accident and sickness program, including a complete revision of the rate book. In 1942-1943 the amount of ordinary A. & H. premiums in force almost doubled. In 1945 he became manager at Minneapolis and in 1946 was assigned to Texas as home office supervisor.

Mr. Anderson has had more than 20 years' experience, mainly in the A. & H. field. He started with Travelers and later was with Commercial Casualty and for nine years with Continental Casualty. He was assistant superintendent of agencies of the commercial A. & H. department at the home office and A. & H. manager of Continental's Chicago branch. He served as president of Chicago A. & H. Assn. and vice-president of the National association. His son, A. Douglas Anderson, Jr., is an Occidental agent at Chicago.

### C. C. Criss Award Made

Dr. Philip S. Hench and Dr. Edward C. Kendall of the Mayo Clinic, Rochester, Minn., pioneers in the development and use of cortisone, were named joint winners of the \$10,000 Dr. C. C. Criss Award of Mutual Benefit H. & A. for outstanding contributions in the fields of health and safety. The announcement was made by Dr. N. L. Criss, medical director and treasurer of Mutual Benefit, at the meeting of American Rheumatism Assn. at Atlantic City. They share equally in the \$10,000 cash award, established in 1949 as a tribute to the founder of Mutual Benefit, now its chairman.

### Cal. Health Assn. Appeals

American Independent Medical & Health Assn. of San Diego, now in the hands of Commissioner Maloney of California as liquidator, has filed notice of appeal to test the legality of the superior court order.

The association's contention, at the time the liquidation order was issued, was that it was a benefit association, did not transact insurance, and therefore did not come under the insurance code.

### Milwaukee A. & H. Group Names Raisbeck President

MILWAUKEE—Clifford C. Raisbeck, general agent Washington National, has been elected president of A. & H. Underwriters of Milwaukee to succeed A. H. Siegner, Business Men's Assurance. Thomas E. Callahan, Time, and Robert G. Morris, Loyal Protective, are vice-presidents; Maurice G. Olson, Continental Casualty, treasurer, and Leo E. Packard, Continental Casualty, secretary for the 15th time.

New directors are J. H. Doolan, Loyal group; S. L. Horman, Time; W. E. Thayer, Federal Casualty; Verne C. Stafford, New York Life; Elmer O. Hammer, North American Life & Casualty; Leonard G. Kramer, Continental Assurance; Edwin G. Hoffmann, John Hancock Mutual, and Ambrose McGhee, Illinois Mutual Casualty. Membership, with an increase of 30%, is now at an all-time high.

Albert L. Anderson, Massachusetts Protective, president of the state association, reported two new locals are now functioning at Green Bay, with W. H. Hanrahan, Security Mutual, as president, and Eau Claire, where Spencer A. Burk, Continental Casualty, is president. Progress was reported in organizing locals in two other cities.

### Newton Richmond President

Richmond (Va.) Assn. of A. & H. Underwriters has elected J. K. M. Newton, London & Lancashire Indemnity, president; E. A. Rollinson, Washington National, vice-president; Peter R. W. Roughton, North America Assurance, secretary, and Nathan Metzger, Union Mutual Life, treasurer.

### Cosburn Ontario President

Allan Cosburn, Occidental Life, has been elected president of Ontario Assn. of A. & H. Underwriters. First vice-president is John Ingles, Canada Health; second vice-president, Hubert Harris, Paul Revere Life; secretary, Peter Connolly, Canada Health.

### Freitag to Cleveland Post

Otto P. Freitag has been named general agent at Cleveland for Massachusetts Protective and Paul Revere Life, succeeding Howard O. Emmerling, resigned. Mr. Freitag joined the company as a field supervisor in 1949.

Skagit County (Wash.) Assn. of Insurance Agents has scheduled its annual banquet June 22.

### BANCINSURANCE

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For the Insurance Agency insuring Automobiles financed by Banks and Finance Companies . . . .  
With GUARANTEED COMMISSION PLUS LIBERAL PROFIT SHARING, OFFERS TOTAL HIGHER COMMISSIONS THAN MOST COMPANIES PAY.

**AMERICAN BANKERS INSURANCE COMPANY**

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## Ratio of Losses and Expenses Incurred to Earned Premiums

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
		Acci-	Health	Group	Auto	Auto	Auto	Liab.	P.D. &	Work-	Fidelity	Surety	Glaas	Burg.	Boiler	Credit	Sprin-	Miscel-
		dent	A. & H.	A. & H.	Liab.	P.D.	Coll.	other	Coll.	men's				and	and		kler	laneous*
								than	Auto	Comp.				Theft	Machin-			
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LOSSES & EXPENSES	Total																	
1. Losses Incurred (excl. loss adjust. expenses)...	50.2	35.7	44.4	74.5	53.4	53.4	44.1	43.1	40.0	61.4	28.9	15.6	40.6	36.1	25.4	7.5	42.6	39.6
2. Loss Adjustment Expense Incurred (allocated & unallocated).....	9.9	3.8	4.1	2.6	12.1	12.3	5.2	15.8	12.3	9.9	9.9	4.5	5.3	5.9	2.3	15.0	9.1	7.4
3. Total.....	60.1	39.5	48.5	77.1	65.5	65.7	49.3	58.9	52.3	71.3	38.8	20.1	46.4	42.0	27.7	22.5	51.7	47.0
4. Commission and Brokerage Incurred.....	19.7	28.9	28.1	8.4	20.2	21.7	22.4	22.6	22.5	12.5	15.8	28.0	28.2	26.4	23.1	17.9	23.2	19.5
5. Other Production Expenses Incurred.....	6.5	8.9	9.3	3.0	5.9	6.4	7.9	7.2	7.6	3.8	12.9	13.0	8.9	8.5	9.3	9.9	11.5	9.0
6. Total.....	26.2	37.8	37.4	11.4	26.1	28.1	30.3	29.8	30.1	16.3	28.7	41.0	37.1	34.9	32.4	27.8	34.7	28.5
7. General Expenses Incurred†.....	8.6	9.7	4.1	4.6	5.6	6.1	5.6	15.0	13.2	9.1	15.1	13.9	10.5	10.0	35.6	8.5	10.4	6.0
8. Taxes, Licenses and Fees Incurred§.....	3.3	2.8	2.2	3.0	3.4	3.2	3.1	3.0	2.1	3.7	2.1	3.6	2.9	3.0	4.1	3.8	3.0	3.3
9. Total.....	11.9	12.5	6.3	7.6	9.0	9.3	8.7	18.0	16.3	13.8	18.2	17.5	13.4	13.0	39.7	12.3	13.4	9.3
SUMMARY																		
10. Total Expenses Incurred.....	48.0	54.1	47.8	21.6	47.2	49.7	44.2	63.6	58.7	39.0	56.8	63.0	56.3	53.8	74.4	55.1	57.2	45.3
11. Total Losses and Expenses Incurred.....	98.2	89.8	92.2	96.1	100.6	103.1	88.3	106.7	98.7	100.4	85.7	78.6	96.9	89.9	99.8	62.6	99.3	84.8
12. Net Gain from Underwriting.....	1.8	10.2	7.8	3.9	-6	-3.1	11.7	-6.7	1.3	-4	14.3	21.4	3.1	10.1	.2	37.4	.2	16.2

\*Miscellaneous includes live stock, non-cancellable A. & H., auto fire, theft and embezzlement. †Minus (-) sign denotes loss. §Excluding federal income and real estate taxes. ††Including inspection and payroll audit.

## Series of Festivities at Auto-Owners' New Home

Auto-Owners of Lansing had a series of festivities this week in connection with the occupancy of its new \$1½ million dollar home office building at Townsend and Kalamazoo streets, overlooking Reutter Park. Formal dedication services were held last week and this week groups of agents are being entertained at luncheons and dinners. These observances also mark the 35th anniversary of Auto-Owners.

At the dedication ceremonies, William C. Searl, secretary of Auto-Owners, opened the proceedings by introducing C. W. Otto, secretary of Lansing Chamber of Commerce, who was master of ceremonies.

Speakers included V. V. Moulton, the president and founder of the company; Dr. Robert Steadman, Michigan state comptroller; Mayor Ralph W. Crego of Lansing; Paul A. Martin, publisher of the State Journal; Mayor Cornelius Wagenvoort of East Lansing, and Malcolm Milks, president of Lansing Chamber of Commerce.

## Heads Ore. Assigned Risks

L. M. Thompson, Home Indemnity, was elected chairman of the governing committee of Oregon automobile assigned risk plan at the annual meeting at Portland. Other members are J. E. Finke, Pacific Indemnity; John L. Parkinson, Employers Mutual Liability; Myron E. Smith, State Farm Mutual, and James M. Smith, Farmers Exchange.

Manager M. View reported that approximately 31,000 applications have been processed since inception of the plan in 1943, including 4,765 new applications and 8,042 renewals last year. Policies were issued for 80% of the new applications and 47% of the expirations were renewed.

Speakers were Mr. Parkinson, the outgoing chairman; Commissioner Taylor, H. A. McCoy, manager of the Oregon department of financial responsibility, and Arthur M. Eppstein, president of Oregon Automobile.

## Harleston Traffic Engineer

Robert H. Harleston, Jr., has been appointed traffic engineer in the accident prevention department of Assn. of Casualty & Surety Companies. Mr. Harleston, formerly resident traffic engineer with Smith, Dibble & Co., management consultants, Columbia, S. C., has just completed a course at Yale's bureau of highway engineering.

He attended Duke, University of Texas and University of Maryland, where he received his degree in 1948. He has served with the U. S. Department of Agriculture and as a civil engineering aide with the War Department.

## Auto Inspection Bill Killed

MADISON, WIS.—Compulsory inspection of automobiles at least 30 days before the annual license is issued charging the motorist \$1 for such checkup, provided in a bill sponsored by Wis-

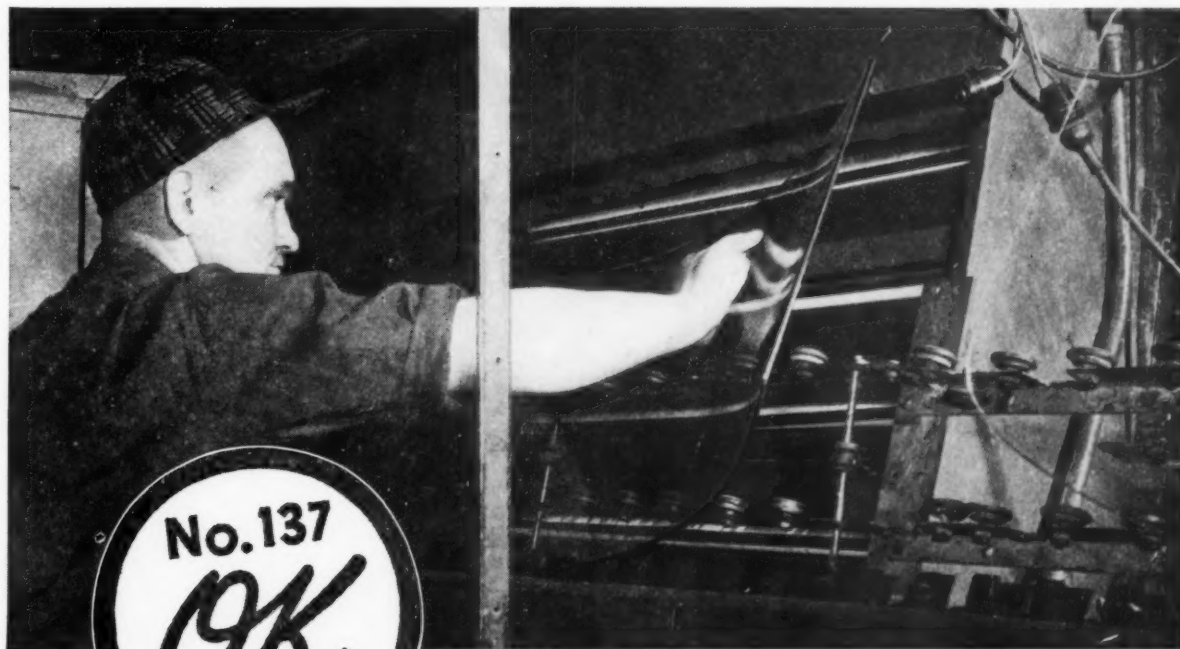
consin Automotive Trades Assn. and Wisconsin Assn. of Insurance Agents, was killed in the senate. A similar measure was passed by the 1949 legislature, but vetoed by former Gov. Rennebohm.

Gov. Kohler has vetoed a bill that would have permitted a motorist convicted of drunken driving charge to

retain his driver's license until 48 hours after his conviction became final. This would have kept officials from revoking the license while an appeal is pending on a drunken driving conviction, which, the governor pointed out in his veto message, could "run from several months to a matter of years during which the drunken driver is not penal-

ized nor is the public protected." Courts, he added, already have the power to delay revocation if they feel it is warranted.

Richter-Galloway & Co., Denver general agents, have moved to larger quarters at 1076 Bannock street. They formerly were in the Gas & Electric building.



## ONE OF 142 Quality Checks

In clear glass, there's no place for blemishes to hide. There they are, looking you right in the eye IF they haven't been kept out during the manufacturing processes.

In making L-O-F Safety Plate Glass we constantly check for these imperfections at every stage, from raw materials to finished glass. Then, as the completed windshield moves down the conveyor on the final production line, we subject it to yet another inspection, our Quality Check No. 137. Here any scratches, dirt or other imperfections are marked by the inspector, and the rejected windshield is taken off the line for refinishing—or scrapping, if necessary.

This is only one of 142 Quality Checks and Controls we use in making L-O-F Safety Plate Glass. Each of them is equally important to you and your policyholders—because they assure:

1. Better heat stability
2. Better light stability
3. Better strength for safety
4. Better adhesion, glass to plastic


That's why L-O-F Safety Plate Glass is the best you can get—anywhere. Libbey-Owens-Ford Glass Company, 8061 Nicholas Building, Toledo 3, Ohio.

## BE SURE YOU GET WHAT YOU PAY FOR



There are two grades of Safety Glass—one made of polished plate glass, the other of sheet or ordinary window glass. Claim agents who are on their toes when honoring broken glass claims always specify Safety Plate Glass and look for the L-O-F identifying stencil on each light supplied. That assures the policyholder and your company of getting full value.

NO FINER GLASS THAN  
LIBBEY-OWENS-FORD

SAFETY  PLATE

## International A. & H. Assn. Names Ernst President

(CONTINUED FROM PAGE 25)

tary, reported a net gain of 321 members in the year. He described the activities of the headquarters staff, and in discussing the progress of the association noted that six new local groups were formed last year, and four Canadian and one state association are on the way. There are now 87 active local, state and provincial associations. Finances are in the black, he declared.

Membership awards were presented

by Mr. Lambert to Madison, Wis., for the largest percentage gain among local associations; to Cleveland for the largest numerical gain; to New Mexico for the state having the biggest percentage gain, and to Ohio for the largest state numerical increase.

The 1951 convention will be at Asbury Park, N. J., as was decided at the last convention. Chicago was picked for 1953. Irving Wessman, Loyalty group,

extended the invitation, it being the third he has made in as many years. The Chicago group withdrew its earlier applications in favor of Dallas and the east.

The several eastern groups sponsoring the 1952 meeting came prepared with an outline of their program, including the notation that five speakers already have agreed to participate.

Greetings from H. & A. Underwriters Conference were given by James R. Williams, its public relations director and chairman of the International association hospital committee.

Luncheon speaker Tuesday was Elmer Wheeler, sales consultant and weight reducer, who gave an inspirational talk, "Sell the Sizzle."

Ross, MacEwen, Jaqua Heard

The sales talks began Monday afternoon. Ray Ross, vice-president of Equitable Life & Casualty; D. C. MacEwen, superintendent of the A. & H. department of Occidental Life, and A. R. Jaqua, director of insurance marketing at Southern Methodist University, were featured at this session.

It is important to know what takes place in the prospect's mind and causes him to buy, Mr. Ross said in his address. Even though prospect does not understand fully why he buys, the salesman should, he added. One of the strongest buying motives is a desire for gain, another is for comfort, another convenience, need for security, to satisfy pride.

A. & H., Mr. Ross said, is one of the easiest commodities to sell. The need for it is already known, and the salesman only has to talk about taking care of the need that already is dormant in the prospect's mind by explaining and pointing out the advantages of a particular policy. Most commodities appeal to only one or possibly two of the buying motives, but A. & H., Mr. Ross declared, has an appeal to all.

In his talk, "Something More Than the Sale," Mr. MacEwen stressed the responsibility of the agent. The placing of personal insurance goes beyond the sale, he said. "Any slick, fast talking, vacant lot 'pitch man' can sell gadgets no matter how useless," he commented, "but the pitch man has no place in the A. & H. business." Providing the means of maintaining income during times of disaster should not lend itself to high pressure. The agent who sells adequate coverage gets the further reward of advertising through the policyholder after

a claim, he observed. If a claim is turned down because improper coverage was sold, the insured's comments to his friends can go far to reduce the agent's market.

The luncheon speaker Monday was Charles Bury, correspondence consultant, who gave a rapid fire set of instructions on "How to Write Better Business Letters." He advised the audience not to write business letters, but to try "talk letters," adding a friendly touch by means of a postscript in the writer's own hand. He criticized the standard close as overworked and meaningless, and suggested trying something original. Mr. Bury also recommended employing contractions in a letter, saying they follow the conversational pattern.

"Think in terms of the other person instead of 'I or we,'" he advised. "Instead of using, 'we wish to point out,' try 'you will be interested to know.' Try using the reader's name in the body of the letter," he added.

He urged conciseness, stating that 40% of letters written are too long and another 15% are unnecessary because the original letter wasn't clear.

Letters cost \$2.05 each, on the average, Mr. Bury declared. That is as much as a telegram or long distance telephone call; but very few people are as economical of language in a letter as they are with wires or calls.

### Fit Job to Average Man

The job of life or A. & H. selling needs adjustment to the kind of man that can be hired into the business, A. R. Jaqua stated. There is a need to change the job so that the "average" man can do it.

He noted that in the life business, of all new men entering in 1951, only half will stick through 1952 and only one quarter until 1954. "I don't know about the A. & H. business, but it couldn't be any worse," he said.

Lack of preparation for the job, lack of assistance and guidance, and lack of help and equipment were blamed by Mr. Jaqua for this turnover.

"The hardest thing in the world to do," he said, "is to keep working." The agent doesn't know where to go. Some companies have done direct mail work in an effort to change the job by supplying leads and giving the agent direction. Mr. Jaqua said he wants to see prospecting bureaus run by the home office and the agency. If the agent is one who can't prospect but can do a good mechanical job of selling, he will have somewhere to go. Looking for a job is exhausting, nerve racking work, but, Mr. Jaqua said, the agent is asked to go out every morning and look for 10 jobs.

### Agent Should Be Taught "Pitch"

The agent should be taught a "pitch," he added. Again the job should be changed to make it easier for the average man.

Holding cards up to the audience with single words emphasizing his points, Mr. Jaqua urged that agents be given some knowledge of their product. This will give the man confidence. If he has enough knowledge to answer some of the prospect's questions, he may hit the jackpot.

The great majority of students in the Southern Methodist course initially don't know the uses of life insurance. Mr. Jaqua said. These uses constitute the needs of the prospect. He outlined what in his opinion are the possibilities of loss to a man earning \$5,000: Total disability, \$125,000; death, \$100,000; public liability suit, \$50,000; personal liability, \$25,000; fire, \$15,000; accident or sickness \$5,000; automobile collision, \$2,000; burglary or theft, \$1,000.

Most people don't buy insurance from the top of the list down, but from the bottom up, he declared. The newly married couple insure the wedding ring, the car; skip A. & H., know nothing about comprehensive personal liability, buy an automobile liability policy, and perhaps \$2,000 of ordinary life.

The agent should be given a kit, have something to show that will help him

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*Excess Contracts and  
Reinsurance Treaties*

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for Aggressive Agents

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ALLIED LINES

AFFILIATED  
WITH  
The  
CELINA MUTUAL  
CASUALTY COMPANY  
Celina, Ohio  
Automobile and  
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Selling Tools for Any  
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emphasize his points, demonstrate the need for and the uses of his product, he said.

The average agent selling life or A. & H., Mr. Jaqua continued, is in the middle of a squeeze. He faces competition at the top level income market from the expert, the specialist, and at the other end by the group man. He also has the problem of uneven income vs. fixed expenses. "The agent is under the gun every Monday to earn enough to pay Friday's bills," he said.

The agent must be given a break, Mr. Jaqua said. His ego must be built up. Too many men are hired and find they have no office, no desk. They work from their homes, have no prospects, no kit, no sales track.

#### Sales Ideas Given

Tuesday afternoon speakers were Joseph L. Kowins, Illinois Bankers Life, Baltimore, and Mrs. Adele Levy, Mutual Benefit H. & H., New Orleans. Mr. Lambert presided at this session, which was sponsored by the Leading Producers Round Table.

"Don't slow down too soon and don't give up," Mr. Kowins urged in his talk, "Ideas and Techniques." A. & H., he declared, is the ideal prospecting approach. There is no better way to get a man to discuss his income.

He said that A. & H. must be sold with visual aids as well as spoken words. Ideas must be strong enough to visibly move the prospect. He advised selling the wife the idea of replacing income and getting her to agree to the importance of income. Instead of trying to replace the same income the prospect earns, sell to provide for the basic minimum requirements, he said.

"Sell salary interruption insurance," he suggested. "You can double your income by talking to small corporations and partnerships by selling them on the idea of salary interruption. You can sell three men as quickly as you can sell one. The average accident policy lapses in seven to nine years. Salary interruption lasts as long as the business."

When selling individuals, Mr. Kowins recommended talking of a plan that will provide one thousand, two hundred dollars a year income rather than \$100 a month. The larger figure makes the man feel he is getting something for his period of disability.

During the interview, keep stressing the fact that an individual must qualify for a plan, he said, "and if you repeat these few words, 'If you can qualify' often enough, it will not be long before the prospect asks, 'What do I have to do to qualify?'"

Mrs. Adele Levy, who has been one of the top producers for Mutual Benefit H. & A. for several years, told how she handles objections.

#### Supplies Prospect the Objections

Mrs. Levy said she has adapted an idea of Bert A. Hedges, Kansas manager of Business Men's Assurance. She has had a card printed listing the 10 most frequently heard objections. When she is in the prospect's home and he is at ease, she hands him the card (before he has a chance to bring up any objections), and asks him to choose one of the listed reasons why he does not want a policy. "It is surprising how seriously he will look at that list and choose an objection," Mrs. Levy remarked.

Among the objections offered, and the answers to them, she mentioned: "Have to talk it over." Mrs. Levy said she tries to find out with whom the talking is to be done. If it is with the person who is actually going to pay the premium, such as a son or daughter for an elderly parent, she moves on. However, most of the time these objectors need only a little more convincing. She uses a favorite motivating story about a man she called on about a week before Christmas who was ready to buy, but wanted to talk it over with his daughter. Mrs. Levy finally convinced him of the need to buy immediately, and only three weeks later he was seriously injured. Since 1948 she has worn out several photostatic copies of

an appreciative letter from this man. An objection becoming more frequent is: "My firm gives insurance." Mrs. Levy stresses the "extra policy, extra money" approach, and uses a case example of a man who bought an individual policy to take up where the company policy quit at the end of three months. The man was incapacitated for more than a year, and has given Mrs. Levy permission to use his name and address, and has agreed to let her get him on the phone to help convince reluctant cases. It is seldom necessary to call when the prospect is sure that the policyholder is going to respond.

One of the hardest prospects to close is one who is "too busy," Mrs. Levy said. "If a man or woman is too busy to see me, how can I get near enough to get my fountain pen in his hand?" she asked. Her response to this is perseverance. Continual phone calls, dropping in while in the neighborhood, writing a letter occasionally. When it is possible to see the prospect after all this, the close is fast, she said.

A simple and effective close Mrs. Levy declared, is one she has used successfully for some time. "Good morning, Mr. Prospect. I am Mrs. Levy representing Mutual Benefit H. & A. This is our improved hospitalization (or A. & H.) plan." Then follows a short sketch of the plan, and "and now will you please sign here?"

The impact of the abrupt close shocks the prospect into giving his objections, which are what the agent wants all the time in order to guide the sales talk. His objection to the approach tells what he really wants, how much he is willing or able to pay, and when the money will be available for the first payment. "This is when the selling actually begins because no matter how capably a presentation is made, it is wasted time and effort until you can make the prospect talk. I cannot overemphasize the importance of getting his objections immediately," she stated.

The Wednesday schedule included the annual meeting and election of the Leading Producers Round Table, the presentation of the Harold R. Gordon Memorial Award, and an address by Travis T. Wallace, president of Great American Reserve of Dallas, "Selling at Maximum Efficiency."

#### \$10,000 W.C. Death Benefit Bill Vetoed in Michigan

LANSING, MICH. — Gov. Williams has vetoed the legislature's act designed to increase to \$10,000 the maximum workmen's compensation death benefit fatalities from silicosis, pneumoconiosis and similar dust diseases.

Williams agreed with the major objective of the bill but believes it contains errors. One provision, which reads "If disablement or death occurs during the first calendar month in which this act becomes effective, not exceeding the sum of \$600," could mean that an employee's family would receive much less than the present law permits, Williams said.

The last two provisos of the bill require a periodic physical examination and impose penalties for refusal to submit to such examinations. This feature was found unconstitutional in 1948.

Williams said he had been given to understand that a bill now in committee might be amended satisfactorily and passed when the lawmakers return late this month for the formal sine die adjournment of the session.

The governor also vetoed a bill which would have required sheriff's deputies to provide their own performance bonds rather than rely on the sheriff's bond as at present. Another surety bond bill was approved. It makes it unnecessary for township or school treasurers to provide bonds covering taxes collected by city treasurers.

#### Compulsory Auto Plan in N. B.

The Canadian province of New Brunswick is to have compulsory automobile insurance, as a result of an amendment to the motor vehicle act ap-

proved by the legislature. The government is known to favor an arrangement for the placing of such insurance with "existing insurers either by direct contact between owner or driver and insurer, or by a mass coverage of all owners and drivers through a group contrast, or by a combination of both."

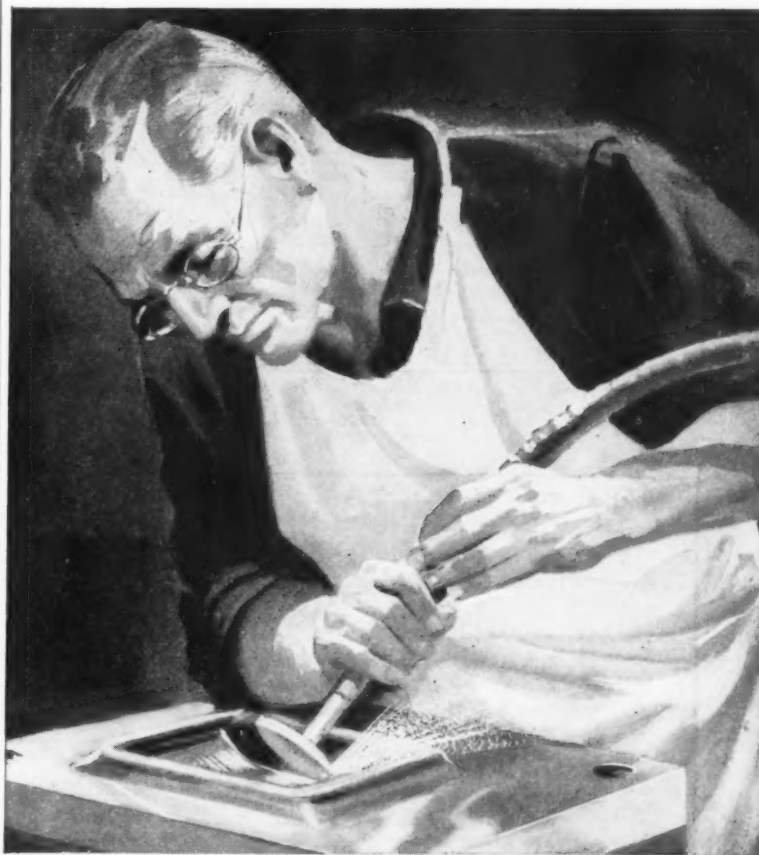
Minister of Works Anderson says efforts will be made to negotiate through existing insurance facilities satisfactory arrangement to implement such a plan, but failing this, a government-operated program will be considered.

#### More Cal. "Comp" Hearings

Commissioner J. R. Maloney of California will hold further hearings of the petition of California Inspection Rating Bureau to eliminate the industrial compensation rating schedule (schedule rating plan) at Los Angeles July 9 and San Francisco July 9.

W. W. Steele, Jr., is becoming a partner in the Canton, O., local agency of Kitzmiller-Tudor and the style is being changed to Kitzmiller-Tudor & Steele.

## IN EVERY FIELD... *Look to the Specialists* FOR THE BEST



Suppose your client wanted a pressed steel part to be produced in quantity. The die for forming it might cost thousands of dollars to make — yet be worth nothing unless made exactly right. To get such a die, he would employ a toolmaker — a highly skilled specialist.

The services of specialists are equally needed for the protection of your client's power plant equipment. He gets them when you select Hartford Steam Boiler —

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## New Argus Chart Totals by Types of Companies and Classes of Business Shown

The totals of casualty business by types of companies and according to classification of lines shown below, are taken from the new Argus Casualty Chart which has just come off the press and is available at any office of the National Underwriter Co. The chart has been revised extensively to bring it into line with the new annual statement convention blank. Highlights of the new chart were reported in last week's issue. Single copies sell at \$3 each, 12 copies at \$1.35 each, 100 at 74 cents each and less in larger quantities. The publication has been overhauled in tune with the multiple line era.

TOTALS													
Including ALL COMPANIES whose figures are shown in the Argus Casualty Chart, EXCEPT those companies for which reference is made to the Argus Fire Chart. REINSURANCE Companies include only the stock companies doing an exclusively reinsurance business. For LIFE Companies and FRATERNAL Societies, Financial Report and Increase in Surplus include Life Departments; Operating Report and Gain from Underwriting are A. & H. only.													
FINANCIAL REPORT							OPERATING REPORT				NET RESULTS		
	Num- ber of Co's.	Year	Assets	Liabilities	Surplus to Policy- holders	Net Premiums Written	Premiums Earned	Losses & Loss Exp. Incurred	Under- writing Exp. Incurred	Ratios to Premiums Losses to Earn. Exp. to Writ.	Combined Loss & Exp.	Net Gain from Under- writing	Increase in Surplus
All Companies .....	916	1950	46,661,453,947	42,103,575,956	4,557,877,991	5,063,693,141	5,033,639,055	3,309,004,424	1,716,452,433	63.7	33.9	97.6	291,709,696
	916	1949	43,060,672,432	38,996,775,205	4,063,897,227	4,734,145,046	.....	.....	.....	.....	.....	.....	634,256,822
Stock Companies .....	254	1950	7,890,940,557	6,108,702,189	1,662,238,368	2,529,218,221	2,425,719,809	1,462,643,752	903,139,097	60.3	35.7	96.0	58,443,564
(Excluding A. & H. and Life)	247	1949	7,231,677,789	5,756,718,434	1,474,959,355	2,357,007,466	2,237,357,360	1,268,181,142	839,152,854	56.7	35.6	82.3	132,004,542
Reinsurance Companies .....	5	1950	206,953,315	142,385,481	64,567,834	67,946,216	68,007,601	41,885,485	28,861,925	61.6	42.5	104.1	-2,751,526
(Included in Stock Companies)	6	1949	202,678,770	142,082,709	60,596,061	74,989,104	.....	.....	.....	.....	.....	.....	3,211,845
Foreign Companies .....	13	1950	351,645,023	241,906,675	109,648,348	165,467,853	165,943,390	100,932,401	66,661,631	60.8	40.3	101.1	-1,265,135
(Included in Stock Companies)	12	1949	345,488,858	251,523,276	93,965,582	174,788,296	.....	.....	.....	.....	.....	.....	9,374,122
Stock A. & H. Companies .....	192	1950	36,494,286,413	34,313,192,709	2,181,093,709	759,605,910	751,902,028	451,664,317	221,616,701	60.1	29.2	89.3	57,729,687
(Including A. & H. Depts. of Life Companies)	191	1949	33,658,997,433	31,732,152,607	1,926,844,826	643,324,358	.....	.....	.....	.....	.....	.....	358,462,923
Mutual Companies .....	153	1950	1,352,185,827	999,210,208	352,975,619	896,285,436	889,527,180	549,862,020	207,634,982	63.2	23.2	86.4	112,468,714
(Excluding A. & H. Companies)	146	1949	1,284,039,256	941,080,938	342,958,268	863,534,739	831,521,977	494,899,958	200,544,283	59.5	23.2	82.7	132,164,392
Mutual A. & H. Companies .....	84	1950	189,222,705	110,881,192	78,341,513	151,525,152	150,937,634	86,455,077	52,408,536	57.3	34.6	91.9	3,607,239
	79	1949	181,424,607	110,960,042	70,464,565	134,543,358	.....	.....	.....	.....	.....	.....	12,373,710
Fraternal Societies .....	10	1950	193,339,538	169,441,482	23,898,056	12,732,208	12,619,594	8,078,392	2,969,321	61.9	23.3	87.2	396,649
	11	1949	209,198,060	181,855,895	27,342,165	17,075,304	.....	.....	.....	.....	.....	.....	342,572
Hospital & Med.-Surg. Companies..	180	1950	301,199,302	140,694,919	160,504,383	629,347,003	629,969,060	539,576,969	62,550,607	83.7	10.0	95.7	31,163,019
	167	1949	252,838,157	117,422,484	135,415,673	535,055,566	.....	.....	.....	.....	.....	.....	36,914,736
Reciprocal & Lloyds .....	55	1950	270,279,000	171,453,227	98,825,773	202,260,763	197,933,441	110,724,697	56,133,189	56.9	27.8	83.7	27,357,463
	57	1949	242,497,130	156,554,755	85,942,375	182,554,225	.....	.....	.....	.....	.....	.....	14,952,271

TOTALS—CLASSIFICATION OF 1950 BUSINESS										
CLASSIFICATION	499 STOCK COMPANIES (Including A. & H. Depts. of Life Companies)			252 MUTUAL COMPANIES (Excluding Hospital & Medical- Surgical Companies)			55 RECIPROCAL & LLOYDS			
	Premiums Earned	Losses & Loss Exp. Incurred	%	Premiums Earned	Losses & Loss Exp. Incurred	%	Premiums Earned	Losses & Loss Exp. Incurred	%	
Accident .....	103,000,862	38,902,475	37.8	6,378,962	2,089,748	32.8	801,136	543,280	67.8	
A. & H., Ind. Life & Hospitalization (not separate)...	317,609,659	155,575,248	49.0	151,638,206	94,799,109	62.5	844,976	63,099	7.5	
Group A. & H. ....	590,092,077	457,554,518	77.5	27,611,706	22,509,513	81.5	20,431	14,306	70.3	
Non-Can. A. & H. ....	52,061,361	20,301,795	39.0	1,651,770	582,817	35.3	125,254	-2,111	.....	
TOTAL ACCIDENT & HEALTH .....	1,062,763,959	672,334,036	63.3	187,300,644	119,981,187	64.1	1,791,797	618,634	34.5	
Auto Physical Damage .....	322,322,180	143,972,297	44.7	173,428,139	82,935,161	47.8	75,707,224	31,465,816	41.6	
Auto Liability .....	638,628,311	402,980,274	63.1	218,097,409	133,918,994	61.4	53,138,568	23,041,254	52.8	
Auto Property Damage .....	330,873,922	201,414,390	60.9	115,645,176	76,309,683	66.0	22,007,173	18,667,242	58.2	
Other Auto .....	1,462,134	243,214	14.6	1,444,349	73,635	5.1	195,336	9,643	4.9	
TOTAL AUTOMOBILE .....	1,293,286,547	748,580,085	57.9	508,615,073	293,237,473	57.7	161,045,301	78,183,955	48.5	
Boiler & Machinery .....	29,006,394	7,961,363	27.4	8,971,146	1,887,325	21.0	60,797	41,181	67.7	
Burglary .....	78,424,104	31,411,613	40.1	4,240,657	1,593,673	37.5	511,029	330,141	64.6	
Credit .....	6,231,323	989,331	15.9	12,504	.....	.....	.....	.....	.....	
Fidelity .....	53,626,112	19,239,415	36.0	2,206,417	1,197,833	54.3	629,993	24,089	3.8	
Glass .....	27,894,430	12,953,215	46.4	2,740,904	1,348,152	49.2	24,454	11,852	48.5	
Liability (not Auto) .....	198,109,671	110,707,192	55.9	44,622,041	24,155,689	54.3	6,848,919	3,738,917	54.6	
Live Stock .....	1,123,019	681,738	60.7	31,570	9,396	29.8	369,397	168,000	45.5	
Property Damage & Collision (not Auto) .....	42,513,973	21,511,999	50.6	9,519,012	6,454,073	67.8	394,241	195,986	51.0	
Surety .....	99,524,939	20,494,835	20.6	841,268	134,536	16.0	63,549	6,209	9.8	
Workmen's Compensation .....	438,327,374	316,009,534	72.1	261,870,447	180,337,931	68.9	13,984,434	7,913,182	56.6	
Miscellaneous .....	3,814,042	1,555,266	40.8	1,453,718	576,306	39.6	1,567,249	298,235	19.0	
GRAND TOTAL .....	5,334,655,887	1,964,479,722	58.9	1,032,334,401	630,913,574	61.1	187,286,160	91,530,381	48.9	

### To Hold No. Kentucky Sectional Meet at Newport

The second sectional meeting of Kentucky Assn. of Insurance Agents will be held at Newport June 26 in conjunction with Northern Kentucky Insurance Agents Assn. Ralph F. Simpson will act as chairman. Brief talks will be made by Orville Noel, president Northern Kentucky association; James C. Hulette, president Kentucky association;

Sheridan C. Barnes, national state director; H. D. Snepp, Jr., agency relations director of the state association; Curtis B. Tarter, chairman of the Kentucky public relations committee.

Stanley W. Schellenger, superintendent of agencies of Buckeye Union, will talk on "Common Errors Discovered in Analyzing Fire and Casualty Insurance Policies;" Commissioner Southall on "The Responsibility of the Agents," and William E. Booth, secretary Cherokee Fire, Nashville, on "Unseen Values."

There will be a forum on fire, casualty and marine insurance, with Robert F. Steinke, assistant editor of F. C. & S. Bulletins, as moderator. Martin W. Boedeker, state agent Royal Exchange, will handle fire insurance; Matt O. Diggs, manager U. S. F. & G., Louisville, casualty, and J. P. Thomas, North America, Cincinnati, marine insurance.

The annual outing of Rhode Island Assn. of Insurance Agents will be held June 29 at Warwick Country Club.

### Newark Salvage Corps Now Is a Public Charge

Gov. Driscoll of New Jersey has signed a bill which makes Newark salvage corps a part of the Newark fire department. The corps had been under the supervision of Underwriters Protective Assn. for many years but this is being given up and U.P.A. is in a state of liquidation. There has been appropriated \$50,000 for continuing the corps in the department of safety.





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Someone, sometime this year, will be selected for a very dubious honor.

He or she will be the one millionth person killed by an automobile accident since the turn of this troublesome century.

Who will it be? A leading scientist? An innocent child? The best machinist in a defense plant? The mother of three? The only doctor in town? Or you or one of yours?

Let's face it realistically . . . and thoughtfully. Compare automobile accidents with the thing we hate and fear most . . . war! In fifty short years, careless driving has killed as many good Americans as all wars since

the first shot of the battle of Concord and Lexington.

Look at it through your pocketbook. You and your fellow Americans are paying over three billions of dollars a year for automobile accidents. Can we afford it?

Look at it under your country's flag. During this national emergency our urgent production efforts are being weakened by the loss of many, many millions of man days through deaths and injuries from automobile accidents. Can we stop it?

Look at it through your sober senses and you'll appreciate that here is something we must and can correct by using more care . . . much more care . . . every time we drive a car.

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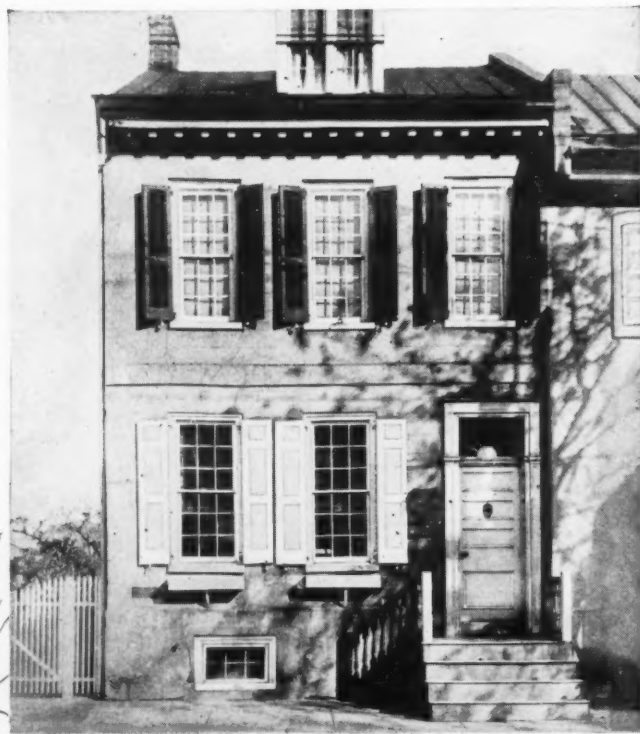
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F A M O U S A M E R I C A N H O M E S

# James Fenimore Cooper

AMERICA'S FIRST SUCCESSFUL NOVELIST



Author of more than thirty novels, many travel books and countless pamphlets, James Fenimore Cooper had no literary aspirations until he was thirty and wrote his first book only because he could never refuse a dare. When an inferior novel prompted him to declare that he could write a better one, his wife challenged him to try, and Cooper went to work to prove his point. The resulting novel, however, was most unfavorably received.

If Cooper's first book had been successful, probably he would never have attempted another, but characteristically he "made the stumbling-block the stepping-stone." Although he doubted that a story with an American setting would be popular, "The Spy," his second novel, was acclaimed both here and abroad.

Cooper was born in Burlington, New Jersey, in 1789 and the following year moved with his family to a settlement at Cooperstown, New York, which had been established by his wealthy and prominent father. From a boyhood spent in this region, still a wilderness inhabited by Indians, James acquired the frontier lore on which he based his "Leather-Stocking Tales."

A member of the class of 1806 at Yale, Cooper left at the end of his third year to ship before the mast, and that voyage was followed by several years as midshipman in the U. S. Navy. This experience was responsible for Cooper's sea stories which, despite friends' warning that they could not be made interesting, proved highly successful and started a new school of fiction.

By an odd coincidence the house where Cooper was born adjoins the birthplace of another American associated with the sea. That man was Captain James Lawrence, the naval hero who, as commander of the *Chesapeake* during the War of 1812, uttered the famous words, "Don't give up the ship."

Cooper's last years were spent for the most part at Cooperstown where he died in 1851. His birthplace, under the custody of the Burlington County Historical Society, is a lasting memorial to America's first outstanding novelist.

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